



6031 (03-21-06)

ANNUAL REPORT

OF

Name: WISCONSIN GAS LLC

Principal Office: 231 WEST MICHIGAN STREET
MILWAUKEE, WI 53203

For the Year Ended: DECEMBER 31, 2006

WATER, ELECTRIC, OR JOINT UTILITY TO PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Prepare the report in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin.
2. Numeric items shall contain digits (0-9). A minus sign "-" shall be entered in the software program to indicate negative values. Parentheses shall not be used for numeric items. The program will convert the minus sign to parentheses for hard copy annual report purposes. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
3. The annual report should be complete in itself in all particulars. Reference to reports of former years should not be made to take the place of required entries except as otherwise specifically authorized.
4. Whenever schedules call for data from the previous year, the data reported must be based upon those shown by the annual report of the previous year or an appropriate explanation given why different data is being reported for the current year. Where available, use an adjustment column.
5. All dollar amounts will be reported in whole dollars.
6. Wherever information is required to be shown as text, the information shall be shown in the space provided using other than account titles. In each case, the information shall be properly identified. Footnote capability is included in the annual report software program and shall be utilized where necessary to further explain particulars of a schedule.

I, ALLEN L. LEVERETT of _____
(Person responsible for accounts)

_____, **WISCONSIN GAS LLC**, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

<u>/s/ALLEN L. LEVERETT</u>	<u>05/01/2007</u>
(Signature of person responsible for accounts)	(Date)

CHIEF FINANCIAL OFFICER
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: WISCONSIN GAS LLC

Utility Address: 231 WEST MICHIGAN STREET
MILWAUKEE, WI 53203

When was utility organized? 3/27/1852

Previous name:

Date of change:

Utility Web Site:

Primary Utility Contact (located at utility address):

Name: ALLEN LEVERETT

Title: CHIEF FINANCIAL OFFICER

Office Address: WISCONSIN GAS LLC
231 W MICHIGAN STREET
MILWAUKEE, WI 53203

Telephone: (414) 221 - 2436

Fax Number:

E-mail Address:

Contact person for information contained in this annual report:

☐ **Same as Primary Address**

Name: JAMES DEVINE

Title: SR. FINANCIAL ANALYST

Office Address: WISCONSIN GAS LLC
231 W MICHIGAN STREET
MILWAUKEE, WI 53203

Telephone: (414) 221 - 3234

Fax Number:

E-mail Address:

Contact person for Regulatory Inquiries and Complaints:

☐ **Same as Primary Address**

Name: ROMAN DRABA

Title: VP - REGULATORY AFFAIRS & POLICY

Office Address: WISCONSIN GAS LLC
231 W. MICHIGAN STREET
MILWAUKEE, WI 53203

Telephone: (414) 221 - 2285

Fax Number:

E-mail Address:

CONTROL OVER RESPONDENT

If any corporation, business trust, or similar organization or a combination of such organizations jointly held control over the respondent at the end of the year, state name of controlling corporation or organization, manner in which control was held, and extent of control. If control was in a holding company organization, show the chain of ownership or control to the main parent company or organization. If control was held by a trustee(s), state name of trustee(s), name of beneficiary or beneficiaries for whom trust was maintained, and purpose of the trust.

Wisconsin Gas LLC is a single member limited liability company with Wisconsin Energy Corporation as the sole member.

CORPORATIONS CONTROLLED BY RESPONDENT

1. Report below the names of all corporations, business trusts and similar organizations, controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote.
2. If control was by other means than a direct holding of voting rights, state in a footnote the manner in which control was held, naming any intermediaries involved.
3. If control was held jointly with one or more other interests, state the fact in a footnote and name the other interests.
4. If the above required information is available from the SEC 10-K Report Form filing, a specific reference to the report form (i.e. year and company title) may be listed in column (a) provided the fiscal years for both the 10-K report and this report are compatible.

DEFINITIONS

1. See the Uniform System of Accounts for a definition of control.
2. Direct control is that which is exercised without interposition of an intermediary.
3. Indirect control is that which is exercised by the interposition of an intermediary which exercises direct control.
4. Joint control is that in which neither interest can effectively control or direct action without the consent of the other, as where the voting control is equally divided between two holders, or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts, regardless of the relative voting rights of each party.

Name of Company Controlled (a)	Kind of Business (b)	Percent Voting Stock Owned (c)
NONE		

GENERAL INFORMATION

1. Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept, and address of office where any other corporate books of account are kept, if different from that where the general corporate books are kept.

Stephen P. Dickson
Vice-President & Controller
231 West Michigan Street
Milwaukee, WI 53203

2. Provide the name of the State under the laws of which respondent is incorporated, and date of incorporation. If incorporated under a special law, give reference to such law. If not incorporated, state that fact and give the type of organization and the date organized.

State of Wisconsin - March 27, 1852

3. If at any time during the year the property of respondent was held by a receiver or trustee, give (a) the name of receiver or trustee, (b) date such receiver or trustee took possession, (c) the authority by which the receivership or trusteeship was created, and (d) date when possession by receiver or trustee ceased.

None

4. State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

Natural Gas

Wisconsin Gas LLC is engaged in the purchase, distribution and sale of natural gas in Wisconsin.

Water

Wisconsin Gas LLC is engaged in the distribution and sale of water in Wisconsin.

5. Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year's certified financial statements?

- ☐ Yes If yes, enter the date when such independent accountant was initially engaged:
☒ No

OFFICERS' SALARIES

1. Report below the name, title and salary for each executive officer whose salary is \$50,000 or more. An "executive officer" of a respondent includes its president, secretary, treasurer, and vice president in charge of a principal business unit, division or function (such as sales, administration or finance), and any other person who performs similar policy making functions.
2. If a change was made during the year in the incumbent of any position, show name and total remuneration of the previous incumbent, and the date the change in incumbency was made.

Title (a)	Name of Officer (b)	Salary for Year (c)
Chairman of the Board, President and CEO	Gale E. Klappa (1)	1
Executive VP and COO	Frederick D. Kuester (1) (2)	2
Executive VP and CFO	Allen L. Leverett (1)	3
Senior VP and CAO	Kristine A. Rappe (1)	4
Executive VP and General Counsel	James C. Fleming (1) (3)	5
Executive VP	Larry Salustro (1) (4)	6
Senior VP	Charles R. Cole (1)	7
VP - Fossil Operation	Scott A. Patulski (1) (2)	8
VP - Environmental	Kristine M. Krause (1)	9
VP - Human Resources	Arthur A. Zintek (1)	10
VP - Corporate Communications	Richard J. White (1) (2)	11
VP and Controller	Stephen P. Dickson (1) (2)	12
VP and Treasurer	Jeffrey P. West (1) (2)	13
Asst VP - Customer Relations	T. Michael Holton (2)	14
VP - Wholesale Energy & Fuels	Charles Matthews (2) (5)	15
VP - Administrative Services and Supply Chain	James B. Baillon (2)	16
VP - Regulatory Affairs and Policy	Roman Draba (1) (2)	17
VP - Federal Policy	Darnell DeMasters (1) (2)	18
VP - Local Affairs	Thelma A. Sias (1) (2)	19
Asst VP - Legal Services	Sally R. Bentley (1)	20
VP - Customer Services	Joan M. Shafer	21
VP - Customer Relations	Walter J. Kunicki (1) (2)	22
Asst Treasurer	James A. Schubilske (1) (2)	23
Asst VP - Tax	Ralph W. Kane (1) (2)	24
VP and Corporate Secretary	Anne K. Klisurich (1) (2)	25
Asst Treasurer	David L. Hughes (1) (2) (6)	26
Asst Corporate Secretary	Keith H. Ecke (1) (2)	27
		28
(1) Officer received compensation from Wisconsin Energy Corporation and/or its other affiliated companies.		29
		30
(2) Officer received less than \$50,000 of compensation from WG.		31
(3) James C. Fleming appointed Executive VP 1/3/2006 and General Counsel 3/27/2006.		32
		33
(4) Larry Salustro succeeded by James C. Fleming as General Counsel 3/26/2006.		34
		35
(5) Charles Matthews appointed VP - Wholesale Energy & Fuels 8/1/2006.		36
		37
(6) David L. Hughes appointed Asst Treasurer 11/1/2006.		38

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Name/Title and Principal Business Address (a)	Length Of Term (Years) (b)	Term Expires (c)	Meetings Attended (d)
GALE E. KLAPPA**/CHAIRMAN, PRESIDENT & CEO 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	3		* 1
JOHN F. AHEARNE/DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	6		* 2
JOHN F. BERGSTROM*** /DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	6		* 3
BARBARA L. BOWLES*** /DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	6		* 4
PATRICIA W. CHADWICK/DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	0		* 5
ROBERT A. CORNOG*** /DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	6		* 6
CURT S. CULVER/DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	2		* 7
THOMAS J. FISCHER/DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	1		* 8

DIRECTORS

1. Report below the information called for concerning each director of the respondent who held office at any time during the year. Include in column (a), abbreviated titles of the directors who are officers of the respondent.
2. Designate members of the Executive Committee by a triple asterisk and the Chairman of the Executive Committee by a double asterisk.

Name/Title and Principal Business Address (a)	Length Of Term (Years) (b)	Term Expires (c)	Meetings Attended (d)
ULICE PAYNE, JR./DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	3		* 9
FREDERICK P. STRATTON, JR.***DIRECTOR 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	6		* 10
GEORGE E. WARDEBERG/DIRECTOR (RETIRED 5/4/2006) 231 W. MICHIGAN ST. MILWAUKEE, WI 53203	14		* 11

DIRECTORS

Directors (Page ix)

General footnotes

Wisconsin Gas LLC has a declassified Board of Directors which requires directors to stand for election on an annual basis by its sole member, Wisconsin Energy Corporation.

Patricia W. Chadwick is a new board member who was elected in June 2006.

COMMON STOCKHOLDERS

From the stockholder list nearest the end of the year report the greatest of: 1) the ten largest shareholders of voting securities or 2) all shareholders owning 5% or more of voting securities. List names, addresses and shareholdings. If any stock is held by a nominee, give known particulars as to the beneficial owner (see Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Date of stockholders' list nearest end of year:

	Common	Preferred	Total
Number of stockholders on above date:			0
Number of shareholders in Wisconsin:			0
Percent of outstanding stock owned by Wisconsin Stockholders:			

Stockholders:**Name:****1****Address:****Number of Shares Held:**

Beneficial Owner: WISCONSIN GAS LLC IS A SINGLE MEMBER LIMITED LIABILITY COMPANY WITH WISCONSIN ENERGY CORPORATION AS THE SOLE MEMBER, THEREFORE THERE ARE NO SHARES OF COMMON OR PREFERRED STOCK.

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	832,398,005	826,245,775	1
Operating Expenses:			
Operating Expenses (401)	696,765,155	705,976,057	2
Maintenance Expenses (402)	10,695,838	9,369,441	3
Depreciation Expense (403)	40,247,117	39,480,083	4
Depreciation Expense for Asset Retirement Costs (403.1)		0	5
Amort. & Depl. Of Utility Plant (404-405)	21,436	21,272	6
Amort. Of Utility Plant Acq. Adj. (406)		0	7
Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)	4,500	4,000	8
Amort. Of Conversion Expenses (407.2)		0	9
Regulatory Debits (407.3)		0	10
Less: Regulatory Credits (407.4)		0	11
Taxes Other Than Income Taxes (408.1)	11,914,770	10,881,694	12
Income Taxes - Federal (409.1)	11,731,249	8,374,883	13
Income Taxes - Other (409.1)	1,185,866	2,036,497	14
Provision for Deferred Income Taxes (410.1)	45,620,902	50,979,700	15
Less: Provision for Deferred Income Taxes-Cr. (411.1)	37,876,871	46,035,252	16
Investment Tax Credit Adj. - Net (411.4)	(377,688)	(386,240)	17
Less: Gains from Disp. Of Utility Plant (411.6)		0	18
Losses from Disp. Of Utility Plant (411.7)		0	19
Less: Gains from Disposition of Allowances (411.8)		0	20
Losses from Disposition of Allowances (411.9)		0	21
Accretion Expense (411.10)		0	22
Total Utility Operating Expenses:	779,932,274	780,702,135	
Net Operating Income	52,465,731	45,543,640	
OTHER INCOME			
Revenues From Merchandising, Jobbing and Contract Work (415)	0	0	23
Less: Costs and Exp. Of Merchandising, Job. & Contract Work (416)	(1,272)	(7,771)	24
Revenues From Nonutility Operations (417)	115,701	329,003	25
Less: Expenses of Nonutility Operations (417.1)	70,667	387,118	26
Nonoperating Rental Income (418)	16,960	16,960	27
Equity in Earnings of Subsidiary Companies (418.1)		0	28
Interest and Dividend Income (419)	1,239,852	43,314	29
Allowance for Other Funds Used During Construction (419.1)	87,377	0	30
Miscellaneous Nonoperating Income (421)		0	31
Gain on Disposition of Property (421.1)	7,043	4,767	32
Total Other Income	1,397,538	14,697	
OTHER INCOME DEDUCTIONS			
Loss on Disposition of Property (421.2)	421	0	33
Miscellaneous Amortization (425)		0	34
Donations (426.1)	25,765	32,402	35
Life Insurance (426.2)	(1,605,011)	(505,495)	36
Penalties (426.3)		0	37
Exp. For Certain Civic, Political & Related Activities (426.4)	83,338	112,232	38

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
OTHER INCOME DEDUCTIONS			
Other Deductions (426.5)	177,434	150,240	39
Total Other Income Deductions	(1,318,053)	(210,621)	
TAXES APPLICABLE TO OTHER INCOME AND DEDUCTIONS			
Taxes Other Than Income Taxes (408.2)	0	7,733	40
Income Taxes-Federal (409.2)	11,627	(65,366)	41
Income Taxes-Other (409.2)	4,395	(215)	42
Provision for Deferred Inc. Taxes (410.2)		0	43
Less: Provision for Deferred Inc. Taxes - Cr. (411.2)		0	44
Investment Tax Credit Adj.-Net (411.5)		0	45
Less: Investment Tax Credits (420)		0	46
Total Taxes Applicable to Other Income and Deductions	16,022	(57,848)	
Net Other Income and Deductions	2,699,569	283,166	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	17,530,000	16,307,375	47
Amort. of Debt. Disc. And Expense (428)	282,443	335,774	48
Amortization of Loss on Reaquired Debt (428.1)	3,564	3,564	49
Less: Amort. of Premium on Debt-Credit (429)		0	50
Less: Amortization of Gain on Reaquired Debt-Credit (429.1)		0	51
Interest on Debt to Assoc. Companies (430)		0	52
Other Interest Expense (431)	2,566,992	3,499,738	53
Less: Allowance for Borrowed Funds Used During Construction-Cr. (432)	41,498	0	54
Total Interest Charges	20,341,501	20,146,451	
Income Before Extraordinary Items	34,823,799	25,680,355	
EXTRAORDINARY ITEMS			
Extraordinary Income (434)			55
Less: Extraordinary Deductions (435)			56
Net Extraordinary Items:	0	0	
Income Taxes-Federal and Other (409.3)			57
Extraordinary Items After Taxes	0	0	
Net Income	34,823,799	25,680,355	

INCOME STATEMENT - REVENUES & EXPENSES BY UTILITY TYPE

Particulars (a)	TOTAL		
	This Year (b)	Last Year (c)	
Operating Revenues (400)	832,398,005	826,245,775	1
Operating Expenses:			
Operating Expenses (401)	696,765,155	705,976,057	2
Maintenance Expenses (402)	10,695,838	9,369,441	3
Depreciation Expense (403)	40,247,117	39,480,083	4
Depreciation Expense for Asset Retirement Costs (403.1)	0	0	5
Amort. & Depl. Of Utility Plant (404-405)	21,436	21,272	6
Amort. Of Utility Plant Acq. Adj. (406)	0	0	7
Amort. Property Losses, Unrecov Plant and Regulatory Study Costs (407)	4,500	4,000	8
Amort. Of Conversion Expenses (407.2)	0	0	9
Regulatory Debits (407.3)	0	0	10
Less: Regulatory Credits (407.4)	0	0	11
Taxes Other Than Income Taxes (408.1)	11,914,770	10,881,694	12
Income Taxes - Federal (409.1)	11,731,249	8,374,883	13
Income Taxes - Other (409.1)	1,185,866	2,036,497	14
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Less: Gains from Disp. Of Utility Plant (411.6)	0	0	18
Losses from Disp. Of Utility Plant (411.7)	0	0	19
Less: Gains from Disposition of Allowances (411.8)	0	0	20
Losses from Disposition of Allowances (411.9)	0	0	21
Accretion Expense (411.10)	0	0	22
Total Utility Operating Expenses:	779,932,274	780,702,135	
Net Operating Income:	52,465,731	45,543,640	

INCOME STATEMENT - REVENUES & EXPENSES BY UTILITY TYPE (cont.)

Electric Utility		Gas Utility		Other Utility	
This Year (d)	Last Year (e)	This Year (f)	Last Year (g)	This Year (h)	Last Year (000's) (i)
		829,900,901	823,975,487	2,497,104	2,270,288
		695,734,463	704,976,666	1,030,692	999,391
		10,655,806	9,266,418	40,032	103,023
		39,995,277	39,236,638	251,840	243,445
			0		0
		21,436	21,272		0
			0		0
			0	4,500	4,000
			0		0
			0		0
			0		0
		11,891,053	10,851,986	23,717	29,708
		11,277,915	8,007,975	453,334	366,908
		1,082,944	1,953,197	102,922	83,300
		45,620,902	50,979,700		0
		37,877,368	46,034,053	(497)	1,199
		(377,688)	(386,240)		0
			0		0
			0		0
			0		0
			0		0
			0		0
0	0	778,024,740	778,873,559	1,907,534	1,828,576
0	0	51,876,161	45,101,928	589,570	441,712

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (101-106, 114)	1,167,641,187	1,118,200,830	1
Construction Work in Progress (107)	2,950,203	4,586,888	2
Total Utility Plant:	1,170,591,390	1,122,787,718	
Less: Accum. Prov. for Depr. Amort. Depl. (108, 111, 115)	628,525,745	598,518,948	3
Net Utility Plant:	542,065,645	524,268,770	
Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)			4
Nuclear Fuel Materials and Assemblies-Stock Account (120.2)			5
Nuclear Fuel Assemblies in Reactor (120.3)			6
Spent Nuclear Fuel (120.4)			7
Nuclear Fuel Under Capital Leases (120.6)			8
Less: Accum. Prov. For Amort. Of Nucl. Fuel Assemblies (120.5)			9
Net Nuclear Fuel:	0		
Net Utility Plant:	542,065,645	524,268,770	
Utility Plant Adjustments (116)			10
Gas Stored Underground - Noncurrent (117)			11
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	226,649	234,380	12
Less: Accum. Prov. for Depr. And Amort. (122)	185,204	185,570	13
Investments in Associated Companies (123)			14
Investments in Subsidiary Companies (123.1)			15
Noncurrent Portion of Allowances			16
Other Investments (124)			17
Sinking Funds (125)			18
Depreciation Fund (126)			19
Amortization Fund - Federal (127)			20
Other Special Finds (128)	11,883,377	12,477,861	21
Long-Term Portion of Derivative Assets (175)			22
Long-Term Portion of Derivative Assets - Hedges (176)			23
Total Other Property and Investments	11,924,822	12,526,671	
CURRENT AND ACCRUED ASSETS			
Cash (131)	181,044	2,460,946	24
Special Deposits (132-134)			25
Working Fund (135)	500	500	26
Temporary Cash Investments (136)	200,000	200,000	27
Notes Receivable (141)			28
Customer Accounts Receivable (142)	94,813,035	126,746,100	29
Other Accounts Receivable (143)	9,378,786	19,820,023	30
Less: Accum. Prov. For Uncollectible Acct.-Credit (144)	14,796,076	16,181,573	31
Notes Receivable from Associated Companies (145)			32
Accounts Receivable from Assoc. Companies (146)			33
Fuel Stock (151)	66,613	68,034	34
Fuel Stock Expenses Undistributed (152)			35
Residuals (Elec) and Extracted Products (153)			36
Plant Materials and Operating Supplies (154)	4,321,594	3,942,263	37
Merchandise (155)	(3,673)	1,174	38
Other Materials and Supplies (156)			39

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
CURRENT AND ACCRUED ASSETS			
Nuclear Materials Held for Sale (157)			40
Allowances (158.1 and 158.2)			41
Less: Noncurrent Portion of Allowances			42
Stores Expense Undistributed (163)	456,214	688,812	43
Gas Stored Underground - Current (164.1)	95,794,253	147,524,821	44
Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	148,376	169,446	45
Prepayments (165)	11,089,541	13,930,319	46
Advances for Gas (166-167)			47
Interest and Dividends Receivable (171)			48
Rents Receivable (172)			49
Accrued Utility Revenues (173)	66,942,104	85,893,149	50
Miscellaneous Current and Accrued Assets (174)	7,141,107		51
Derivative Instrument Assets (175)	(10,997,365)		52
(Less) Long-Term Portion of Derivative Instrument Assets (175)			53
Derivative Instrument Assets - Hedges (176)			54
(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)			55
Total Current and Accrued Assets	264,736,053	385,264,014	
DEFERRED DEBITS			
Unamortized Debt Expenses (181)	847,946	963,680	56
Extraordinary Property Losses (182.1)	10,125	14,625	57
Unrecovered Plant and Regulatory Study Costs (182.2)			58
Other Regulatory Assets (182.3)	217,829,729	80,425,866	59
Prelim. Survey and Investigation Charges (Electric) (183)			60
Preliminary Natural Gas Survey and Investigation Charges (183.1)			61
Other Preliminary Survey and Investigation Charges (183.2)			62
Clearing Accounts (184)	203,267	212,152	63
Temporary Facilities (185)			64
Miscellaneous Deferred Debits (186)	280,178,416	386,316,021	65
Def. Losses from Disposition of Utility Plt. (187)			66
Research, Devel. And Demonstration Expend. (188)			67
Unamortized Loss on Reaquired Debt (189)	6,544	10,108	68
Accumulated Deferred Income Taxes (190)	13,288,188	14,831,592	69
Unrecovered Purchased Gas Costs (191)			70
Total Deferred Debits	512,364,215	482,774,044	
Total Assets and Other Debits	1,331,090,735	1,404,833,499	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Common Stock Issued (201)	9,000	9,000	71
Preferred Stock Issued (204)			72
Capital Stock Subscribed (202, 205)			73
Stock Liability for Conversion (203, 206)			74
Premium on Capital Stock (207)			75
Other Paid-In Capital (208-211)	688,191,256	687,932,065	76
Installments Received on Capital Stock (212)			77
(Less) Discount on Capital Stock (213)			78
(Less) Capital Stock Expense (214)			79
Retained Earnings (215, 215.1, 216)	(98,079,157)	(105,902,957)	80
Unappropriated Undistributed Subsidiary Earnings (216.1)			81
Less: Required Capital Stock (217)			82
Accumulated Other Comprehensive Income (219)			83
Total Proprietary Capital	590,121,099	582,038,108	
LONG-TERM DEBT			
Bonds (221)	308,035,020	306,560,016	84
(Less) Required Bonds (222)			85
Advances from Associated Companies (223)			86
Other Long-Term Debt (224)			87
Unamortized Premium on Long-Term Debt (225)			88
(Less) Unamortized Discount on Long-Term Debt-Debit (226)	1,899,039	2,065,747	89
Total Long-Term Debt	306,135,981	304,494,269	
OTHER NONCURRENT LIABILITIES			
Obligations Under Capital Leases - Noncurrent (227)			90
Accumulated Provision for Property Insurance (228.1)			91
Accumulated Provision for Injuries and Damages (228.2)	1,287,050	1,022,390	92
Accumulated Provision for Pensions and Benefits (228.3)	659,675	623,815	93
Accumulated Miscellaneous Operating Provisions (228.4)	15,035,000	13,500,000	94
Accumulated Provision for Rate Refunds (229)			95
Long-Term Portion of Derivative Instrument Liabilities (244)			96
Long-Term Portion of Derivative Instrument Liabilities - Hedges (245)			97
Asset Retirement Obligations (230)			98
Total Other Noncurrent Liabilities	16,981,725	15,146,205	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	63,790,375	134,102,541	99
Accounts Payable (232)	81,914,213	100,754,228	100
Notes Payable to Associated Companies (233)			101
Accounts Payable to Associated Companies (234)	15,699,589	11,492,672	102
Customer Deposits (235)			103
Taxes Accrued (236)	551,638	780,883	104
Interest Accrued (237)	3,110,833	3,302,583	105
Dividends Declared (238)			106
Matured Long-Term Debt (239)			107
Matured Interest (240)			108
Tax Collections Payable (241)	1,312,701	1,957,024	109
Miscellaneous Current and Accrued Liabilities (242)	21,300,090	36,897,178	110
Obligations Under Capital Leases-Current (243)			111
Derivative Instrument Liabilities (244)	971,240		112

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
CURRENT AND ACCRUED LIABILITIES			
(Less) Long-Term Portion of Derivative Instrument Liabilities (244)			113
Derivative Instrument Liabilities - Hedges (245)			114
(Less) Long-Term Portion of Derivative Instrument Liabilities - Hedges (245)			115
Total Current and Accrued Liabilities	188,650,679	289,287,109	
DEFERRED CREDITS			
Customer Advances for Construction (252)	11,722,364	11,818,212	116
Accumulated Deferred Investment Tax Credits (255)	3,023,826	3,401,514	117
Deferred Gains from Disposition of Utility Plant (256)			118
Other Deferred Credits (253)	59,949,808	39,185,975	119
Other Regulatory Liabilities (254)	107,825,071	136,418,240	120
Unamortized Gain on Reacquired Debt (257)			121
Accumulated Deferred Income Taxes-Accel. Amort. (281)			122
Accumulated Deferred Income Taxes-Other Property (282)	(31,144,561)	(45,774,760)	123
Accumulated Deferred Income Taxes-Other (283)	77,824,743	68,818,627	124
Total Deferred Credits	229,201,251	213,867,808	
Total Liabilities and Other Credits	1,331,090,735	1,404,833,499	

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

1. Changes in and important additions to franchise rights: Describe the actual consideration given therefore and state from whom the franchise rights were acquired. If acquired without the payment of consideration, state that fact.

None new changes in franchise rights.

2. Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies: Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

None

3. Purchase or sale of an operating unit or system: Give a brief description of the property, and of the transactions relating thereto, and reference to Commission authorization, if any was required. Give date journal entries called for by the Uniform System of Accounts were submitted to the Commission.

None

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered: Give effective dates, lengths of terms, names of parties, rents, and other condition. State name of Commission authorizing lease and give reference to such authorization.

None

5. Important extension or reduction of transmission or distribution system: State territory added or relinquished and date operations began or ceased and give reference to Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service. Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to such arrangements, etc.

None

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees including issuance of short-term debt and commercial paper having a maturity date of one year or less. Give reference to FERC or State Commission authorization, as appropriate, and the amount of obligation or guarantee.

Wisconsin Gas LLC issued commercial paper during 2006. \$63,800,000 was outstanding as of December 31, 2006.

7. Changes in articles of incorporation or amendments to charter. Explain the nature and purpose of such changes or amendments.

There have been no changes to the Wisconsin Gas LLC Articles of Organization (Effective as of July 28, 2004) or Limited Liability Operating Agreement (As Amended and Restated March 1, 2005).

8. State the estimated annual effect and nature of any important wage scale changes during the year.

There was a 3.0% to 3.35% wage increase for union employees depending on the applicable bargaining unit, effective at various dates during 2006. There was a 3.25% average wage increase for management employees effective 1/1/2006.

9. State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings completed during the year.

None

10. Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

No transactions to report.

11. (Reserved)

Reserved

12. If the important changes during the year relating to the respondent company appearing in the annual report to stockholders are applicable in every respect and furnish the data required by Instructions 1 to 11 above, such notes may be included on this page or in the Appendix.

Nothing to report.

13. Describe fully any changes in officers, directors, major security holders and voting powers of the respondent that may have occurred during the reporting period.

- James C. Fleming was appointed to the title of Executive Vice President on 01/03/2006.
- James C. Fleming was appointed to the title of General Counsel as of 03/27/2006.
- Larry Salustro no longer holds the title of General Counsel as of 03/26/2006.
- George E. Wardeberg retired from the Board of Directors effective 4/26/2006.
- Patricia W. Chadwick was elected to the Board of Directors effective 06/26/2006.
- David L. Hughes was appointed Assistant Treasurer effective 11/01/2006.

IMPORTANT CHANGES DURING THE YEAR

Give particulars (details) concerning the matters indicated below. Make the statements explicit and precise. Each inquiry should be answered. Enter "none," "not applicable," or "NA" where applicable. If information which answers an inquiry is given elsewhere in the report, make a reference to the schedule in which it appears.

14. In the event that the respondent participates in a cash management program(s) and its proprietary capital ratio is less than 30 percent please describe the significant events or transactions causing the proprietary capital ratio to be less than 30 percent, and the extent to which the respondent has amounts loaned or money advanced to its parent, subsidiary, or affiliated companies through a cash management program(s). Additionally, please describe plans, if any to regain at least a 30 percent proprietary ratio.

Not applicable.

STATEMENT OF CASH FLOWS

1. Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Description (a)	Amount (b)	
Net Cash Flow from Operating Activities:		1
Net Income	34,823,799	2
Noncash Charges (Credits) to Income:		3
Depreciation and Depletion	40,266,716	4
Amortization of (Specify) (footnote details)	1,486,098 *	5
		6
		7
Deferred Income Taxes (Net)	7,744,033	8
Investment Tax Credit Adjustment (Net)	(377,688)	9
Net (Increase) Decrease in Receivables	59,939,850	10
Net (Increase) Decrease in Inventory	51,611,173	11
Net (Increase) Decrease in Allowances Inventory		12
Net Increase (Decrease) in Payables and Accrued Expenses	7,778,666	13
Net (Increase) Decrease in Other Regulatory Assets	(147,080,647)	14
Net (Increase) Decrease in Other Regulatory Liabilities	(18,908,322)	15
(Less) Allowance for Other Funds Used During Construction	87,377	16
(Less) Undistributed Earnings from Subsidiary Companies		17
Other (provide details in footnote):	116,378,980 *	18
		19
		20
		21
Net Cash Provided by (Used in) Operating Activities (Total 2 thru 21)	153,575,281	22
		23
Cash Flows from Investment Activities:		24
Construction and Acquisition of Plant (including land):		25
Gross Additions to Utility Plant (less nuclear fuel)	(57,999,282)	26
Gross Additions to Nuclear Fuel		27
Gross Additions to Common Utility Plant		28
Gross Additions to Nonutility Plant		29
(Less) Allowance for Other Funds Used During Construction	41,498	30
Other (provide details in footnote):		31
		32
		33
Cash Outflows for Plant (Total of lines 26 thru 33)	(58,040,780)	34
		35
Acquisition of Other Noncurrent Assets (d)		36
Proceeds from Disposal of Noncurrent Assets (d)		37
		38

STATEMENT OF CASH FLOWS

1. Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Description (a)	Amount (b)
Investments in and Advances to Assoc. and Subsidiary Companies	39
Contributions and Advances from Assoc. and Subsidiary Companies	40
Disposition of Investments in (and Advances to)	41
Associated and Subsidiary Companies	42
	43
Purchase of Investment Securities (a)	44
Proceeds from Sales of Investment Securities (a)	45
Loans Made or Purchased	46
Collections on Loans	47
	48
Net (Increase) Decrease in Receivables	49
Net (Increase) Decrease in Inventory	50
Net (Increase) Decrease in Allowances Held for Speculation	51
Net Increase (Decrease) in Payables and Accrued Expenses	52
Other (provide details in footnote):	(633,601) * 53
	54
	55
Net Cash Provided by (Used in) Investing Activities	56
Total of lines 34 thru 55)	(58,674,381) 57
	58
Cash Flows from Financing Activities:	59
Proceeds from Issuance of:	60
Long-Term Debt (b)	61
Preferred Stock	62
Common Stock	63
Other (provide details in footnote):	131,364 * 64
	65
Net Increase in Short-Term Debt (c)	66
Other (provide details in footnote):	67
	68
	69
Cash Provided by Outside Sources (Total 61 thru 69)	131,364 70
	71
Payments for Retirement of:	72
Long-term Debt (b)	73
Preferred Stock	74
Common Stock	75
Other (provide details in footnote):	76

STATEMENT OF CASH FLOWS

1. Codes to be used: (a) Net Proceeds or Payments; (b) Bonds, debentures and other long-term debt; (c) Include commercial paper; and (d) Identify separately such items as investments, fixed assets, intangibles, etc.
2. Information about noncash investing and financing activities must be provided in the Notes to the Financial statements. Also provide a reconciliation between "Cash and Cash Equivalents at End of Period" with related amounts on the Balance Sheet.
3. Operating Activities - Other: Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show in the Notes to the Financials the amounts of interest paid (net of amount capitalized) and income taxes paid.
4. Investing Activities: Include at Other (line 31) net cash outflow to acquire other companies. Provide a reconciliation of assets acquired with liabilities assumed in the Notes to the Financial Statements. Do not include on this statement the dollar amount of leases capitalized per the USofA General Instruction 20; instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost.

Description (a)	Amount (b)	
		77
Net Decrease in Short-Term Debt (c)	(70,312,166)	78
		79
Dividends on Preferred Stock		80
Dividends on Common Stock	(27,000,000)	81
Net Cash Provided by (Used in) Financing Activities		82
(Total of lines 70 thru 81)	(97,180,802)	83
		84
Net Increase (Decrease) in Cash and Cash Equivalents		85
(Total of lines 22, 57 and 83)	(2,279,902)	86
		87
Cash and Cash Equivalents at Beginning of Year	2,660,946	88
		89
Cash and Cash Equivalents at End of Year	381,044	90

STATEMENT OF CASH FLOWS

Statement of Cash Flows (Page F-06)**General footnotes**

Amortization of includes the following:

Clearing account depreciation	\$ 1,192,726
Debt premium, discount and expense	286,007
Other	7,365

	\$ 1,486,098

Other Operating Activities include the following:

Other deferred liabilities	\$133,112,349
Refundable gas costs	(22,222,570)
Prepaid and accrued taxes	16,135,098
Other current assets	(7,871,734)
Net pension and other postretirement benefits	(6,646,000)
Other deferred assets	2,308,811
Amortization of LTD non-operating	1,475,004
Other	88,022

Sub-total	116,378,980

Other Investing Activities Include the Following:

Gross removal	\$ (1,504,139)
Gross salvage	212,435
Cash surrender value	594,485
Proceeds from asset sales	159,466
Customer advances for construction	(95,848)

	633,601

The cash inflows from other financing activities of \$131,364 reflects the excess tax benefits realized from stock option exercises during the year.

RETURN ON COMMON EQUITY AND COMMON STOCK EQUITY PLUS ITC COMPUTATIONS

1. Report data on a corporate basis only; not a consolidated basis.
2. If you file monthly rate of return forms with the PSC, use the same method for completing this form.
3. Use the average of the 12 monthly averages when computing average common equity.
4. If monthly averages are not available, use average of first of year and end of year.

Description (a)	Common Equity (b)	Common Equity Plus ITC (c)	
Average Common Equity			
Common Stock Outstanding	9,000	9,000	1
Premium on Capital Stock	based on monthly	688,057,141	2
Capital Stock Expense	averages if available		3
Retained Earnings	(92,047,356)	(92,047,356)	4
Deferred Investment Tax Credit		1,977,888	5
(Only common equity portion if Form PSC-AF6 is filed on monthly basis with the Commission)			
Other (Specify):			6
NONE			
Average Common Stock Equity	596,018,785	597,996,673	
Net Income			
Add:			
Net Income (or Loss)	34,823,799	34,823,799	7
Other (Specify):			8
NONE			
Less:			9
Preferred Dividends			
Other (Specify):			
(If Form PSC-AF6 is filed with the Commission, net income must be reduced by that portion of net income representing debt cost of deferred investment tax credit as shown on the form.)			
DEFERRED ITC AS NOTED ABOVE	0	65,509	10
Adjusted Net Income (Loss)	34,823,799	34,758,290	
Percent Return on Common Stock Equity	5.84%	5.81%	

RETURN ON RATE BASE COMPUTATION

1. Report data on a corporate basis only; not a consolidated basis.
2. The data used in calculating average rate base are based on monthly averages, if available.
3. If you file monthly rate of return forms (PSC-AF4) with the PSC, use the same method for completing this schedule.
4. If monthly averages are not available, use average of the first-of-year and the end-of-year figures for each account.
5. Do not include property held for future use or construction work in progress with utility plant in service.
These are not rate base components.

Average Rate Base (a)	Electric (b)	Gas (c)	Water (d)	Other (e)	Total (f)	
Add Average:						
Utility Plant in Service		1,124,081,294	15,531,227		1,139,612,521	1
Allocation of Common Plant					0	2
Completed Construction Not Classified					0	3
Gas Stored Underground					0	4
Nuclear Fuel					0	5
Materials and Supplies		101,321,480			101,321,480	6
Other (Specify):						
NONE					0	7
Less Average:						
Reserve for Depreciation		665,956,101	1,386,314		667,342,415	8
Amortization Reserves					0	9
Customer Advances for Construction		3,526,038			3,526,038	10
Contribution in Aid of Construction					0	11
Accumulated Deferred Income Taxes					0	12
Other (Specify):						
NONE					0	13
Average Net Rate Base	0	555,920,635	14,144,913	0	570,065,548	
Total Operating Income (or Loss)						
	0	51,876,161	589,570		52,465,731	14
Less (Specify):						
NONE					0	15
Adjusted Operating Income	0	51,876,161	589,570	0	52,465,731	
Adjusted Operating Income as a percent of						
Average Net Rate Base	N/A	9.33%	4.17%	N/A	9.20%	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment.
2. Wholesale and retail out-of-state energy and water sales revenues are considered assessable due to the strong nexus to Wisconsin founded on the location of the generation facilities in the state and significant regulatory oversight by the Commission.
3. Exclude retail out-of-state energy sales where energy is both produced and sold out-of-state.

Description (a)	Electric Utility (b)	Gas Utility (c)	Water Utility (d)	Other Utility (e)	Total (f)	
Operating revenues	0	829,900,901	2,497,104		832,398,005	1
Less: out-of-state operating revenues					0	2
Less: in-state interdepartmental sales					0	3
Less: current year write-offs of uncollectible accounts (Wisconsin utility customers only)		31,277,383			31,277,383	4
Plus: current year collection of Wisconsin utility customer accounts previously written off		11,585,282			11,585,282	5
Other Increases or (Decreases) to Operating Revenues - Specify: NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	0	810,208,800	2,497,104	0	812,705,904	

AFFILIATED INTEREST TRANSACTIONS

Intercompany Transactions from utility to Wisconsin Electric Power Company

Department (a)	Hours Paid (b)	Total Costs (including Overheads) (c)	Total Billing (d)	Markup for Fair Market Value (e)	
Other					
Total Labor and Non-Labor	0	21,990,620	21,990,620	0	1
Total Other	0	21,990,620	21,990,620	0	
Total:	0	21,990,620	21,990,620	0	

AFFILIATED INTEREST TRANSACTIONS

Intercompany Transactions to utility from Wisconsin Electric Power Company

Department (a)	Hours Paid (b)	Total Costs (including Overheads) (c)	Total Billing (d)	Markup for Fair Market Value (e)	
Other					
Total Labor and Non-Labor	0	66,426,706	66,426,706	0	2
Total Other	0	66,426,706	66,426,706	0	
Total:	0	66,426,706	66,426,706	0	

AFFILIATED INTEREST TRANSACTIONS

Intercompany Transactions to utility from Wisconsin Energy Corporation

Department (a)	Hours Paid (b)	Total Costs (including Overheads) (c)	Total Billing (d)	Markup for Fair Market Value (e)	
Other					
Services Provided Under Article VIII				0	3
General & Administrative	0	359,859	359,859	0	4
Consolidated Accounting Information-General	0	42,574	42,574	0	5
Stockholders-Annual Meeting	0	33,305	33,305	0	6
Stockholders-Reports	0	32,146	32,146	0	7
Common Stock Plans	0	836	836	0	8
Stock Transfer-General Mailings	0	379	379	0	9
Proxy Operations	0	48,260	48,260	0	10
Stock Fees & Related Expenses	0	16,732	16,732	0	11
Stockholder Information Meetings	0	69	69	0	12
Stock Transfer Office Operations	0	74,430	74,430	0	13
Investor Relations	0	55,238	55,238	0	14
Board of Directors' Activities	0	170,549	170,549	0	15
Corporate Secretary-Administrative	0	35,351	35,351	0	16
SEC-Reports & Filings	0	66,966	66,966	0	17
Communications	0	652	652	0	18
Sarbanes-Oxley	0	13,051	13,051	0	19
Other	0	43	43	0	20
				0	21
Services Provided Other Than Under Article VIII				0	22
Vouchers	0	699,361	699,361	0	23
Other	0	2,266,780	2,266,780	0	24
Total Other	0	3,916,581	3,916,581	0	
Total:	0	3,916,581	3,916,581	0	

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Classification (a)	Total (b)	Electric (c)	
Utility Plant			1
In Service			2
Plant in Service (Classified)	1,167,591,187		3
Property Under Capital Leases	0		4
Plant Purchased or Sold	0		5
Completed Construction not Classified	0		6
Experimental Plant Unclassified	0		7
Total In Service	1,167,591,187		8
Leased to Others	0		9
Held for Future Use	0		10
Construction Work in Progress	2,950,203		11
Acquisition Adjustments	50,000		12
Total Utility Plant	1,170,591,390		13
Accum Prov for Depr, Amort, & Depl	628,525,745		14
Net Utility Plant	527,262,906		15
Detail of Accum Prov for Depr, Amort, & Depl			16
In Service:			17
Depreciation	628,449,479		18
Amort & Depl of Producing Nat Gas Land/land Right	0		19
Amort of Underground Storage Land/Land Rights	0		20
Amort of Other Utility Plant	76,266		21
Total In Service	628,525,745		22
Leased to Others			23
Depreciation	0		24
Amortization and Depletion	0		25
Total Leased to Others	0		26
Held for Future Use			27
Depreciation	0		28
Amortization	0		29
Total Held for Future Use	0		30
Abandonment of Leases (Natural Gas)	0		31
Amort of Plant Acquisition Adj	0		32
Total Accum Prov	628,525,745		33

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION (cont.)

Gas (d)	Other (Specify) (e)	Other (Specify) (f)	Other (Specify) (g)	Common (h)
				1
				2
1,151,448,200	16,142,987			3
				4
				5
				6
				7
1,151,448,200	16,142,987			8
				9
				10
2,861,823	88,380			11
	50,000			12
1,154,310,023	16,281,367			13
627,047,117	1,478,628			14
527,262,906				15
				16
				17
626,970,851	1,478,628			18
				19
				20
76,266				21
627,047,117	1,478,628			22
				23
				24
				25
				26
				27
				28
				29
				30
				31
				32
627,047,117	1,478,628			33

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Summary of Utility Plant and Accumulated Provisions for Depreciation, Amortization and Depletion (Page F-11)

General footnotes

Water in column (E)

CONSTRUCTION WORK IN PROGRESS (ACCT. 107)

1. Report below descriptions and balances at beginning and end of year of projects in process of construction (107).
2. Minor projects under \$1,000,000 major and under \$500,000 nonmajor should be grouped by utility department and function.

Project Description (a)	Balance First of Year (b)	Balance End of Year (c)	
Electric			
NONE		0	1
Subtotal - Electric:	0	0	
Gas			
Distribution Plant	1,646,993	1,833,639	2
General Plant	40,732	1,028,184	3
W. Capitol Dr. Main Replacement	2,056,658	0	4
Subtotal - Gas:	3,744,383	2,861,823	
Water			
Transmission & Distribution Plant	842,505	88,380	5
Subtotal - Water:	842,505	88,380	
Steam			
NONE		0	6
Subtotal - Steam:	0	0	
Common			
		0	7
Subtotal - Unknown:	0	0	
Other			
NONE		0	8
Subtotal - Other:	0	0	
Total:	4,586,888	2,950,203	

CONSTRUCTION ACTIVITY FOR YEAR

Report below the total overheads and the total direct cost of construction for the year. Projects under \$1,000,000 for major utilities and \$500,000 for nonmajor utilities should be grouped by utility department and function.

Project Description (a)	Direct Charges				
	Company Labor (b)	Company Materials (c)	Contractor Payments (d)	Other (e)	
Electric					
NONE					1
Subtotal Electric:	0	0	0	0	
% of Subtotal Direct Charges:					
Gas					
NORTH SERVICE CENTER ROOF REPLACEMENT	436	7,726	657,160	0	2
PORT WASHINGTON LATERAL	348	(30)	(1,887)	37,635	3
PORT WASHINGTON ROAD RECONSTRUCTION	0	288	10,961	26,662	4
TRANSPORT TELEMETRY REPLACEMENTS	108,098	596,522	0	4,845	5
W. CAPITAL DR MAIN REPLACEMENT	760	(537)	142,349	(315,470)	6
INTANGIBLE PLANT	0	0	0	11	7
TRANSMISSION PLANT	0	(145)	1,885	(14,243)	8
DISTRIBUTION PLANT	6,903,386	10,632,611	11,850,684	(1,554,707)	9
GENERAL PLANT	142,622	20,107,399	75,747	120,059	10
Subtotal Gas:	7,155,650	31,343,834	12,736,899	(1,695,208)	
% of Subtotal Direct Charges:					
Water					
NORTH SHORE EAST WATER TRUST CONNECTION	6,958	250,351	(139,471)	(491,130)	11
ST MARY'S PHASE 2	4,991	2,406	305,355	(170,319)	12
PUMPING PLANT	0	3,295	0	0	13
TRANSMISSION & DISTRIBUTION PLANT	21,763	324,812	226,019	282,049	14
GENERAL PLANT	0	6,618	0	359	15
Subtotal Water:	33,712	587,482	391,903	(379,041)	
% of Subtotal Direct Charges:					
Steam					
NONE					16
Subtotal Steam:	0	0	0	0	
% of Subtotal Direct Charges:					
Common					
NONE					17
Subtotal Common:	0	0	0	0	
% of Subtotal Direct Charges:					
Other					
NONE					18
Subtotal Other:	0	0	0	0	
% of Subtotal Direct Charges:					
Grand Totals:	7,189,362	31,931,316	13,128,802	(2,074,249)	
% of Total Direct Charges:					

CONSTRUCTION ACTIVITY FOR YEAR (cont.)

Total Direct Charges (f)	Overheads				Total Direct Charges and Overheads (k)	
	Engineering & Supervision (g)	Administration & General (h)	Allowance for Funds Used (i)	Taxes & Other (j)		
0					0	1
0	0	0	0	0	0	
665,322	0	0	3,235	168	668,725	2
36,066	0	361	0	134	36,561	3
37,911	2,257	1,760	0	0	41,928	4
709,465	0	30,031	0	41,574	781,070	5
(172,898)	0	(1,726)	53,460	292	(120,872)	6
11	0	0	0	0	11	7
(12,503)	0	(128)	0	0	(12,631)	8
27,831,974	3,285,907	1,566,279	70,598	2,655,042	35,409,800	9
20,445,827	0	107,257	1,581	54,852	20,609,517	10
49,541,175	3,288,164	1,703,834	128,874	2,752,062	57,414,109	
	6.64%	3.44%	0.26%	5.56%		
(373,292)	(20,648)	(16,186)	0	2,677	(407,449)	11
142,433	9,972	12,166	0	1,920	166,491	12
3,295	0	132	0	0	3,427	13
854,643	33,952	36,408	0	8,372	933,375	14
6,977	0	225	0	0	7,202	15
634,056	23,276	32,745	0	12,969	703,046	
	3.67%	5.16%	0.00%	2.05%		
0			0		0	16
0	0	0	0	0	0	
0					0	17
0	0	0	0	0	0	
0					0	18
0	0	0	0	0	0	
50,175,231	3,311,440	1,736,579	128,874	2,765,031	58,117,155	
	6.60%	3.46%	0.26%	5.51%		

CONSTRUCTION COMPLETED DURING YEAR

Report below the total cost of completed construction projects cleared from account 107 during the year. Projects under \$1,000,000 for major utilities and \$500,000 for nonmajor utilities should be grouped by utility department and function.

		Direct Charges				
Project Description (a)	Company Labor (b)	Company Materials (c)	Contractor Payments (d)	Other (e)		
Electric						
NONE						1
Subtotal Electric:	0	0	0	0		
% of Subtotal Direct Charges:						
Gas						
PORT WASHINGTON LATERAL	348	(30)	(1,887)	37,635		2
PORT WASHINGTON ROAD RECONSTRUCTION	0	288	10,961	26,662		3
TRANSPORT TELEMETRY REPLACEMENTS	108,098	596,522	0	4,845		4
W CAPITAL DR MAIN REPLACEMENT	41,321	413,009	1,365,125	(335,037)		5
INTANGIBLE PLANT	0	0	0	11		6
TRANSMISSION PLANT	0	(145)	1,885	(14,243)		7
DISTRIBUTION PLANT	6,896,455	10,771,081	11,598,666	(1,549,697)		8
GENERAL PLANT	137,997	20,117,073	(245,870)	120,054		9
Subtotal Gas:	7,184,219	31,897,798	12,728,880	(1,709,770)		
% of Subtotal Direct Charges:						
Water						
NORTH SHORE EAST WATER TRUST CONNECTION	7,373	250,482	23,191	(491,492)		10
ST MARY'S PHASE 2	7,438	557,143	352,198	(170,763)		11
PUMPING PLANT	0	3,295	0	0		12
TRANSMISSION & DISTRIBUTION	23,437	323,227	217,034	226,719		13
	0	8,228	0	479		14
Subtotal Water:	38,248	1,142,375	592,423	(435,057)		
% of Subtotal Direct Charges:						
Steam						
NONE						15
Subtotal Steam:	0	0	0	0		
% of Subtotal Direct Charges:						
Common						
NONE						16
Subtotal Common:	0	0	0	0		
% of Subtotal Direct Charges:						
Other						
NONE						17
Subtotal Other:	0	0	0	0		
% of Subtotal Direct Charges:						
Grand Totals:	7,222,467	33,040,173	13,321,303	(2,144,827)		
% of Total Direct Charges:						

CONSTRUCTION COMPLETED DURING YEAR (cont.)

Total Direct Charges (f)	Overheads				Total Direct Charges and Overheads (k)	
	Engineering & Supervision (g)	Administration & General (h)	Allowance for Funds Used (i)	Taxes & Other (j)		
0					0	1
0	0	0	0	0	0	
36,066	0	361	0	134	36,561	2
37,911	2,257	1,760	0	0	41,928	3
709,465	0	30,031	0	41,574	781,070	4
1,484,418	294,602	87,417	53,460	15,892	1,935,789	5
11	0	0	0	0	11	6
(12,503)	0	(128)	0	0	(12,631)	7
27,716,505	3,254,642	1,546,804	52,825	2,652,376	35,223,152	8
20,129,254	0	107,836	625	53,074	20,290,789	9
50,101,127	3,551,501	1,774,081	106,910	2,763,050	58,296,669	
	7.09%	3.54%	0.21%	5.51%		
(210,446)	(3,188)	(8,951)		2,836	(219,749)	10
746,016	15,345	35,151	0	2,861	799,373	11
3,295	0	132	0	0	3,427	12
790,417	31,910	33,792	0	9,014	865,133	13
8,707	0	281	0	0	8,988	14
1,337,989	44,067	60,405	0	14,711	1,457,172	
	3.29%	4.51%	0.00%	1.10%		
0					0	15
0	0	0	0	0	0	
0					0	16
0	0	0	0	0	0	
0					0	17
0	0	0	0	0	0	
51,439,116	3,595,568	1,834,486	106,910	2,777,761	59,753,841	
	6.99%	3.57%	0.21%	5.40%		

INVESTMENTS AND FUNDS (ACCTS. 123-128, INCL.)

1. Report with separate descriptions for each amount, the securities owned by the utility; include date of issue and date of maturity in description of any debt securities owned.
2. Designate any securities pledged and explain purpose of pledge in footnote.
3. Investments less than \$1,000 may be grouped by classes.
4. Report separately each fund account showing nature of assets included therein and list any securities included in fund accounts.

Description (a)	Date Acquired (b)	Maturity Date (c)
Acct. 123 - Investment in Associated Companies		1
Acct. 123.1 - Investment in Subsidiary Companies		2
Acct. 124 - Other Investments		3
Acct. 125 - Sinking Funds		4
Acct. 126 - Depreciation Fund		5
Acct. 127 - Amortization Fund - Federal		6
Acct. 128 - Other Special Funds		7
CSV Keyman Life Insurance		

INVESTMENTS AND FUNDS (ACCTS. 123-128, INCL.) (cont.)

	Amount of Investment at Beginning Of Year (d)	Equity in Subsidiary Earnings Of Year (e)	Revenues For Year (f)	Amount of Investment at End Of Year (g)	Gain or Loss From Investment Disposed Of (h)	
Acct. 123 - Investment in Associated Companies						
				0		1
Acct. 123 Subtotal:	0	0	0	0	0	
Acct. 123.1 - Investment in Subsidiary Companies						
				0		2
Acct. 123.1 Subtotal:	0	0	0	0	0	
Acct. 124 - Other Investments						
				0		3
Acct. 124 Subtotal:	0	0	0	0	0	
Acct. 125 - Sinking Funds						
				0		4
Acct. 125 Subtotal:	0	0	0	0	0	
Acct. 126 - Depreciation Fund						
				0		5
Acct. 126 Subtotal:	0	0	0	0	0	
Acct. 127 - Amortization Fund - Federal						
				0		6
Acct. 127 Subtotal:	0	0	0	0	0	
Acct. 128 - Other Special Funds						
	12,477,861		(594,484)	11,883,377		7
Acct. 128 Subtotal:	12,477,861	0	(594,484)	11,883,377	0	
Total:	12,477,861	0	(594,484)	11,883,377	0	

ACCOUNTS RECEIVABLE (ACCTS. 142-143)

Particulars (a)	Amount End of Year (b)	
Customer Accounts Receivable (142)		
Electric department	0	1
Gas department	94,725,728	2
Water department	87,307	3
Steam department		4
Other		5
Total Utility Service:	94,813,035	
Merchandising, jobbing and contract work		6
Other		7
Total (Acct. 142):	94,813,035	
Other Accounts Receivable (143)		
Officers and employees	269,217	8
Subscriptions to capital stock		9
All other (list separately items in excess of \$250,000; group remaining items as Miscellaneous):		
Contributions in Aid of Construction - Main Extension	5,198,381	10
Gas Capacity Sales	3,696,129	11
Miscellaneous	215,059	12
Total (Acct. 143):	9,378,786	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS - CR (ACCT. 144)

Particulars (a)	Electric Utility Customers (b)	Gas Utility Customers (c)	Water Utility Customers (d)	Steam Utility Customers (e)	Other Utility Customers (f)	
Balance First of Year	0	16,181,616	(43)	0	0	1
Add: provision for uncollectibles during year						
Provision for uncollectibles during year		18,306,604				2
Collection of accts prev written off: Utility Customers		11,585,282				3
Other credits (explain in footnotes)						4
Total Credits:	0	29,891,886	0	0	0	
Less: Accounts written off						
Accounts written off during the year: Utility Customers		31,277,383				5
Other debits (explain in footnotes)						6
Total Debits:	0	31,277,383	0	0	0	
Balance End of Year:	0	14,796,119	(43)	0	0	

Particulars (a)	Total Utility Customers (g)	Officers & Employees (h)	Other (i)	Total (j)	
Balance First of Year	16,181,573	0	0	16,181,573	1
Add: provision for uncollectibles during year					
Provision for uncollectibles during year	18,306,604			18,306,604	2
Collection of accts prev written off: Utility Customers	11,585,282			11,585,282	3
Other credits (explain in footnotes)	0			0	4
Total Credits:	29,891,886	0	0	29,891,886	
Less: Accounts written off					
Accounts written off during the year: Utility Customers	31,277,383			31,277,383	5
Other debits (explain in footnotes)	0			0	6
Total Debits:	31,277,383	0	0	31,277,383	
Balance End of Year:	14,796,076	0	0	14,796,076	
Loss on Wisconsin utility accounts					
Accounts written off	0			31,277,383	7
Collection of such accounts	0			11,585,282	8
Net Loss:				19,692,101	

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates for amounts by function are acceptable. In column (d), designate the departments which use the class of material.
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating systems, clearing accounts, plant, etc.) affected debited or credited. Show separately debit or credits to stores expense clearing, if applicable.

Account (a)	Balance First of Year (b)	Balance End of Year (c)	Department or Departments which Use Material (d)	
Fuel Stock (Account 151)	68,034	66,613	Gas	1
Fuel Stock Expenses Undistributed (Account 152)	0	0		2
Residuals and Extracted Products (Account 153)	0	0		3
Plant Materials and Operating Supplies (Account 154)				4
Assigned to Construction (Estimated)	3,067,000	3,454,682	Gas	5
Assigned to Operations and Maintenance	0	0		6
Production Plant (Estimated)	0	0		7
Transmission Plant (Estimated)	0	0		8
Distribution Plant (Estimated)	769,000	866,912	Gas	9
Assigned to - Other (provide details in footnote)	106,263	0	Gas	10
Total Account 154:	3,942,263	4,321,594		
Merchandise (Account 155)	1,174	(3,673)	Gas	11
Other Materials and Supplies (Account 156)	0	0		12
Nuclear Materials Held for Sale (Account 157)	0	0		13
Stores Expense Undistributed (Account 163)	688,812	456,214	Gas	14
Total Materials and Supplies:	4,700,283	4,840,748		

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UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (ACCTS. 181, 225, 226 AND 257)

1. Report below the particulars called for with respect to the unamortized debt discount and expense or net premium applicable to each class and series of long-term debt. Show separately any unamortized debt discount and expense or call premiums applicable to refunded issues. Show in column (a) the series, due date and method of amortization for each amount of debt discount and expense or premium. In column (b) show principal amount of debt on which the total discount and expense or premium, shown in column (c), was incurred.
2. Explain any charges or credits in column (f) and (g) other than amortization in Acct. 428 or 429.

Debt to Which Related (a)		Prin. Amt. of Debt to which Disc. and Exp. or Net Premiums Relate (b)	Total Discount and Expense or (net premiums) (c)	
Unamortized Debt Discount and Expense (181)				
Series	Due			1
5.20 % Note	2015 Staight Line Over Life of Series	125,000,000	362,642	2
5.50 % Note	2009 Staight Line Over Life of Series	50,000,000	434,633	3
5.90 % Note	2035 Staight Line Over Life of Series	90,000,000	275,000	4
6.60 % Note	2013 Staight Line Over Life of Series	45,000,000	633,846	5
Bond Payable -Purchase Accounting		(10,323,336)	0	6
Total (Acct. 181):		299,676,664	1,706,121	7
Unamortized Premium on Long-Term Debt (225)				
NONE				8
Total (Acct. 225):		0	0	
Unamortized Discount on Long-Term Debt - Debit (22)				
5.20 % Note	2015 Staight Line Over Life of Series	125,000,000	1,150,000	9
5.50 % Note	2009 Staight Line Over Life of Series	50,000,000	374,000	10
5.90 % Note	2035 Staight Line Over Life of Series	90,000,000	1,004,400	11
6.60 % Note	2013 Staight Line Over Life of Series	45,000,000	0	12
Bond Payable -Purchase Accounting		(10,323,336)	0	13
Total (Acct. 226):		299,676,664	2,528,400	
Unamortized Gain on Reacquired Debt (257)				
NONE		0	0	14
Total (Acct. 257):		0	0	

UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND UNAMORTIZED PREMIUM ON DEBT (ACCTS. 181, 225, 226 AND 257) (cont.)

Balance First of Year (d)	Account Charged or Credited (e)	Charges During Year (f)	Credits During Year (g)	Balance End of Year (h)	
				0	1
0				0	2
299,684		2,518	32,738	269,464	3
133,465		3,607	46,889	90,183	4
274,236		763	9,925	265,074	5
256,295		2,756	35,826	223,225	6
0		0	0	0	7
963,680		9,644	125,378	847,946	
0				0	8
0		0	0	0	
950,347		7,986	103,819	854,514	9
113,790		3,116	40,511	76,395	10
1,001,610		2,790	36,270	968,130	11
0		0	0	0	12
0		0	0	0	13
2,065,747		13,892	180,600	1,899,039	
0		0	0	0	14
0		0	0	0	

OTHER REGULATORY ASSETS (ACCOUNT 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets which are created through the rate making process of regulatory agencies (and not includable in other accounts).
2. For regulatory assets being amortized, show the period of amortization in column (a).
3. Minor items (5% of the Balance End of Year for Account 182.3 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Description and Purpose of Other Regulatory Assets (a)	Balance First of Year (b)	Debit Amount (c)	Credits		Balance End of Year (f)	
			Account Charged (d)	Amount (e)		
FAS Regulatory Asset - Federal	2,724,902	102,133	282	135,664	2,691,371	1
	0				0	2
	0				0	3
FAS Regulatory Asset - State	375,196	35,830	282	69,796	341,230	4
Tax/Interest Assessments	2,278,433	362,113	408 & 431	417,713	2,222,833	5
	0				0	6
Post Retirement Benefits	17,272,961	26,041,000	926	2,778,072	40,535,889	7
	0				0	8
Uncollectible Accounts Reserve	3,743,006	106,304	904	878,246	2,971,064	9
Pensions	3,248,000	109,150,000			112,398,000	10
FAS 133	7,805,780	43,960,073	Various	38,115,905	13,649,948	11
DOA Low Income Allowance Uncollectibles	513,170		901 & 903	350,663	162,507	12
Deferred Residential Uncollectibles	21,836,370	7,500,395	904	12,744,253	16,592,512	13
Environmental	20,246,229	5,845,749	735	321,736	25,770,242	14
SDC - Milwaukee WRAP Program	323,908	7,495	908	228,751	102,652	15
Energy Efficiency Gas Program	57,911	1,630,152		1,296,582	391,481	16
Total:	80,425,866	194,741,244		57,337,381	217,829,729	

MISCELLANEOUS DEFERRED DEBITS (ACCT. 186)

1. Report below the particulars (details) called for concerning miscellaneous deferred debits.
2. For any deferred debit being amortized, show the period of amortization in column (a).
3. Minor items (5% of the Balance End of Year for Account 186 or amounts less than \$50,000, whichever is less) may be grouped by classes.

Description (a)	Balance First of Year (b)	Debit Amount (c)	Credits		Balance End of Year (f)	
			Account Charged (d)	Amount (e)		
Goodwill	95,888,545		various		95,888,545	1
Post Retirement Benefits	60,129,000		various		60,129,000	2
Pensions	217,901,047	9,796,294	various	111,842,085	115,855,256	3
FAS 133	4,716,868	71,763,245	various	76,480,113	0	4
Cost of Gas Offset	0	69,490,599	various	69,231,131	259,468	5
Distribution of Property Gains/Losses	3,507	272,879	various	259,444	16,942	6
Jobbing Accounts	654,447	6,051,922	various	5,890,495	815,874	7
Deferred Commercial Syndication Fees	250,496	483,274	various	317,532	416,238	8
Omnibus Stock Incentive Plan	119,234	0	various	23,828	95,406	9
FAS 106	6,680,502	0	various	0	6,680,502	10
Misc. Deferred Stock Option Taxes	0	150,861	various	150,861	0	11
Misc. Deferred Debt Expense	(2,256)	214,718	various	165,908	46,554	12
Miscellaneous	(25,369)				(25,369)	13
Total:	386,316,021	158,223,792		264,361,397	280,178,416	

ACCUMULATED DEFERRED INCOME TAXES (ACCT. 190)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes.
 2. At Other (Specify in Footnote), include deferrals relating to other income and deductions.

Description and Location (a)	Balance First of Year (b)	Balance End of Year (c)	
Electric			
NONE	0		1
Total Electric:	<u>0</u>	<u>0</u>	
Gas			
GAS	14,827,785	13,286,485	2
Total Gas:	<u>14,827,785</u>	<u>13,286,485</u>	
Water			
NONE	0		3
Total Water:	<u>0</u>	<u>0</u>	
Other (Specify in footnote)			
Purchase Accounting Adjustment	3,807	1,703	4
Total Other (Specify in footnote):	<u>3,807</u>	<u>1,703</u>	
Common			
NONE	0		5
Total Common:	<u>0</u>	<u>0</u>	
Non-Utility			
NONE	0		6
Total Non-Utility:	<u>0</u>	<u>0</u>	
Total Account 190:	<u><u>14,831,592</u></u>	<u><u>13,288,188</u></u>	

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CAPITAL STOCKS (ACCTS. 201 AND 204)

1. Report below the particulars (details) called for concerning common and preferred stock at end of year, distinguishing separate series of any general class. Show separate totals for common and preferred stock. If information to meet the stock exchange reporting requirement outlined in column (a) is available from the SEC 10-K Report Form filing, a specific reference to report form (i.e., year and company title) may be reported in column (a) provided the fiscal years for both the 10-K report and this report are compatible.
2. Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year.

Class and Series of Stock and Name of Stock Series (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value per share (c)	Call Price at End of Year (d)		
Common Stock					
See Footnote	0	0.00	0	*	1
Total Common:	<u>0</u>				
Preferred Stock					
NONE	0	0.00	0		2
Total Preferred:	<u>0</u>				

CAPITAL STOCKS (ACCTS. 201 AND 204) (cont.)

3. Give particulars (details) concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued.
4. The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or non-cumulative.
5. State in a footnote if any capital stock which has been nominally issued is nominally outstanding at end of year. Give particulars (details) in column (a) of any nominally issued capital stock, reacquired stock, or stock in sinking and other funds which is pledged, stating name of pledgee and purposes of pledge.

Outstanding per Balance Sheet (Total amount outstanding without reduction for amounts held by respondent)		Held by Respondent				
		As Reacquired Stock (Account 217)		In Sinking and Other Funds		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
0	9,000	0	0	0	0	* 1
0	9,000	0	0	0	0	
0	0	0	0	0	0	2
0	0	0	0	0	0	

CAPITAL STOCKS (ACCTS. 201 AND 204)

Capital Stocks (Accts. 201 and 204) (Page F-32)

General footnotes

General Footnotes-

Effective July 28, 2004, Wisconsin Gas Company converted from a corporation to a limited liability company and changed its name to Wisconsin Gas LLC. As a result of this change, the common stock of the company has been converted into member's equity as Wisconsin Gas LLC has become a direct wholly owned subsidiary of Wisconsin Energy Corporation. See a more detailed explanation in the Footnote section under MEMBER'S EQUITY.

OTHER PAID-IN CAPITAL (ACCTS. 206-211, INCL.)

Report below the balance at the end of the year and the information specified below for the respective Other Paid-In-Capital accounts. Provide a subheading for each account and show a total for the account, as well as total for all accounts for reconciliation with Balance Sheet. Explain changes made in any account during the year and give the accounting entries effecting such change.

- (a) Donations Received from Stockholders (Account 208): State amount and give brief explanation of the origin and purpose of each donation.
- (b) Reduction in Par or Stated Value of Capital Stock (Account 209): State amount and give brief explanation of the capital change which gave rise to amounts reported under this caption including identification with the class and series of stock to which related.
- (c) Gain on Resale or Cancellation of Reacquired Capital Stock (Account 210): Report balance at beginning of year, credits, debits, and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related.
- (d) Miscellaneous Paid-in Capital (Account 211): Classify amounts included in this account according to captions which, together with brief explanations, disclose the general nature of the transactions which gave rise to the reported amounts.

Item (a)			Amount (b)	
			0	1
Account 208 - Donations from Stockholders			146,644,057	2
			0	3
Account 209 - Reduction in Par Value			43,667,896	4
			0	5
Account 211 - Miscellaneous Paid in Capital			497,879,303	6
			0	7
Beg of Year	Credits	Debits	0	8
-----	-----	-----	0	9
\$497,620,112	\$259,191	\$ --	0	10
			0	11
Credits for 2006 relate to Wisconsin Gas' portion of tax benefits associated with:			0	12
Non-qualified stock option exercises -	\$192,125		0	13
Stock based compensation	\$ 67,066		0	14
			0	15
Total:			688,191,256	16

LONG-TERM DEBT (ACCTS. 221-224, INCL.)

1. Report by balance sheet account the particulars (details) concerning long-term debt included in Accounts 221 (Bonds), 222 (Reacquired Bonds), 223 (Advances from Associated Companies), and 224 (Other Long-Term Debt).
2. In column (a), for new issues, give Commission authorization numbers and dates.
3. For bonds assumed by the respondent, include in column (a) the name of the issuing company as well as a description of the bonds.
4. For advances from Associated Companies, report separately advances on notes and advances on open accounts. Designate demand notes as such. Include in column (a) names of associated companies from which advances were received.
5. For receivers, certificates, show in column(a) the name of the court and date of court order under which such certificates were issued.
6. In column (b) show the interest or dividend rate of the debt issued.
7. In column (c) show the principal amount of bonds or other long-term debt originally issued.
8. In column (d) show the expense amount with respect to the amount of bonds or other long-term debt originally issued.
9. In column (e) show the premium amount with respect to the amount of bonds or other long-term debt originally issued.
10. In column (f) show the discount amount with respect to the amount of bonds or other long-term debt originally issued.
11. Furnish in a footnote particulars (details) regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year. Also, give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts.

Class and Series of Obligation, Coupon Rate (For new issue, give commission authorization numbers and dates) (a)	Interest or Dividend Rate (b)	Principal Amount of Debt Issued (c)	
Account 221			
Series: Bond Payable -Purchase Accounting			
Subtotal Bond Payable -Purchase Accounting:		0	1
Series: NONE			
FIRST MORTGAGE BONDS			2
			3
5.50% Series	5.500000%	50,000,000	4
6.60% Series	6.600000%	45,000,000	5
5.20% Series	5.200000%	125,000,000	6
5.90% Series	5.900000%	90,000,000	7
Bond Payable -Purchase Accounting		(10,323,336)	8
Subtotal NONE:		299,676,664	
Subtotal Account 221:		299,676,664	
Account 222			
Series: NONE			
NONE			9
Subtotal NONE:		0	
Subtotal Account 222:		0	
Account 223			
Series: NONE			
NONE			10
Subtotal NONE:		0	
Subtotal Account 223:		0	

LONG-TERM DEBT (ACCTS. 221-224, INCL.) (cont.)

12. Identify separate undisposed amounts applicable to issues which were redeemed in prior years.
13. Explain any debits and credits other than debited to Account 428, Amortization and Expense, or credited to Account 429, Premium on Debt - Credit.
14. In a footnote, give explanatory details for Accounts 223 and 224 of net changes during the year. With respect to long-term advances, show for each company: (a) principal advanced during the year, (b) interest added to principal amount, and (c) principal repaid during year. Give Commission authorization numbers and dates.
15. If the respondent has pledged any of its long-term debt securities give particulars (details) in a footnote including name of pledgee and purpose of the pledge.
16. If the respondent has any long-term debt securities which have been nominally issued and are nominally outstanding at end of year, describe such securities in a footnote.
17. If interest expense was incurred during the year on any obligations retired or reacquired before end of year, include such interest expense in column (j). Explain in a footnote any difference between the total of column (j) and the total of Account 427, Interest on Long-Term Debt and Account 430, Interest on Debt to Associated Companies.
18. Give particulars (details) concerning any long-term debt authorized by a regulatory commission but not yet issued.

Total Expense Amount (d)	Total Premium Amount (e)	Total Discount Amount (f)	Nominal Date of Issue (g)	Date of Maturity (h)	Outstanding Amount (i)	Interest for Year Amount (j)	
							0 1
0	0	0			0	0	
							2
					0		3
434,633	0	374,000	01/15/1999	01/15/2009	50,000,000	2,750,000	4
633,846	0	0	09/15/1993	09/15/2013	45,000,000	2,970,000	5
362,642	0	1,150,000	12/10/2003	12/01/2015	125,000,000	6,500,000	6
275,000	0	1,004,400	11/18/2005	12/01/2035	90,000,000	5,310,000	7
0	0	0			(1,964,980)	0	8
1,706,121	0	2,528,400			308,035,020	17,530,000	
1,706,121	0	2,528,400			308,035,020	17,530,000	
							9
0	0	0			0	0	
0	0	0			0	0	
							10
0	0	0			0	0	
0	0	0			0	0	

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

Item (a)	Contra Primary Account Affected (b)	Amount (c)	
UNAPPROPRIATED RETAINED EARNINGS (Account 216)			
Balance Beginning of Year		(105,902,957)	1
Changes			2
Adjustments to Retained Earnings (Account 439)			3
			4
			5
			6
			7
			8
TOTAL Credits to Retained Earnings (Acct. 439)			9
			10
			11
			12
			13
			14
TOTAL Debits to Retained Earnings (Acct. 439)			15
Balance Transferred from Income (Account 433 less Account 418.1)		34,823,799	16
Appropriations of Retained Earnings (Acct. 436)			17
			18
			19
			20
			21
TOTAL Appropriations of Retained Earnings (Acct. 436)			22
Dividends Declared-Preferred Stock (Account 437)			23
			24
			25
			26
			27
			28
TOTAL Dividends Declared-Preferred Stock (Account 437)			29
Dividends Declared-Common Stock (Account 438)			30
		(27,000,000)	31
			32
			33
			34
			35
TOTAL Dividends Declared-Common Stock (Account 438)		(27,000,000)	36

STATEMENT OF RETAINED EARNINGS

1. Report all changes in appropriated retained earnings, unappropriated retained earnings, and unappropriated undistributed subsidiary earnings for the year.
2. Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433, 436 - 439 inclusive). Show the contra primary account affected in column (b).
3. State the purpose and amount of each reservation or appropriation of retained earnings.
4. List first account 439, Adjustments to Retained Earnings, reflecting adjustments to the opening balance of retained earnings. Follow by credit, then debit items in that order.
5. Show dividends for each class and series of capital stock.
6. Show separately the State and Federal income tax effect of items shown in account 439, Adjustments to Retained Earnings.
7. Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

Item (a)	Contra Primary Account Affected (b)	Amount (c)	
Transfers from Acct 216.1, Unapprop. Undistrib. Subsidiary Earnings	216.1		37
Balance - End of Year (Total 1, 9, 15, 16, 22, 29, 36, 37)		(98,079,158)	38
APPROPRIATED RETAINED EARNINGS (Account 215)			
			39
			40
			41
			42
			43
			44
TOTAL Appropriated Retained Earnings (Account 215)			45
APPROP. RETAINED EARNINGS - AMORT. Reserve, Federal (Account 215.1)			
TOTAL Approp. Retained Earnings-Amort. Reserve, Federal (Acct. 215.1)			46
TOTAL Approp. Retained Earnings (Acct. 215, 215.1) (Total 45, 46)			47
TOTAL Retained Earnings (Acct. 215, 215.1, 216) (Total 38, 47)		(98,079,158)	48
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216.1)			
Balance-Beginning of Year (Debit or Credit)			49
Equity in Earnings for Year (Credit) (Account 418.1)			50
Less: Dividends Received (Debit)			51
			52
Balance-End of Year (Total lines 49 thru 52)			53

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

1. Report in columns (b) (c) and (e) the amounts of accumulated other comprehensive income items, on a net-of-tax basis, where appropriate.
2. Report in columns (f) and (g) the amounts of other categories of other cash flow hedges.
3. For each category of hedges that have been accounted for as "fair value hedges," report the accounts affected and the related amounts in a footnote.

Item (a)	Unrealized Gains and Losses on Available-for-Sale Securities (b)	Minimum Pension Liability Adjustment (net amount) (c)	Foreign Currency Hedges (d)	
Balance of Account 219 at Beginning of Preceding Year				* 1
Preceding Year Reclassification from Account 219 to Net Income				2
Preceding Year Changes in Fair Value				3
Total (lines 2 and 3)				4
Balance of Account 219 at End of Preceding Year				5
Balance of Account 219 at Beginning of Current Year				6
Current Year Reclassifications from Account 219 to Net Income				7
Current Year Changes in Fair Value				8
Total (lines 7 and 8)				9
Balance of Account 219 at End of Current Year				10

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES (cont.)

Other Adjustments (e)	Other Cash Flow Hedges (Financial Swaps for Gas) (f)	Other Cash Flow Hedges (Specify in Footnote) (g)	Totals for each category of items recorded in Account 219 (h)	Net Income (i)	Total Comprehensive Income (j)	
		350,211	350,211			* 1
		(323,529)	(323,529)			2
		(26,682)	(26,682)			3
		(350,211)	(350,211)	25,680,354	25,330,143	4
		0	0			5
						6
		0	0			7
		0	0			8
		0	0	34,823,799	34,823,799	9
		0	0			10

STATEMENTS OF ACCUMULATED COMPREHENSIVE INCOME, COMPREHENSIVE INCOME, AND HEDGING ACTIVITIES

Statements of Accumulated Comprehensive Income, Comprehensive Income, and Hedging Activities (Page F-38)

General footnotes

The hedges are the result of utilizing NYMEX based natural gas derivatives to capture favorable forward market price differentials. The hedging is approved by the PSCW and provides for 100% of the related proceeds to accrue our gas costs recovery (incentive) mechanism.

NOTES PAYABLE (ACCT. 231)

1. Report each issue separately.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Name of Payee and Purpose for which Issued (a)	Date of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)	
DEUTSCHE BANK - COMMERCIAL PAPER	12/27/2006	01/02/2007	5.38%	39,444,104	1
DEUTSCHE BANK - COMMERCIAL PAPER	12/29/2006	01/02/2007	5.37%	23,696,465	2
DEUTSCHE BANK - COMMERCIAL PAPER	12/27/2006	01/03/2007	5.38%	649,806	3
Total:				63,790,375	

TAXES ACCRUED (ACCT. 236)

1. The balance of accruals for income taxes should be classified by the years to which the tax is applicable.
2. The balance of any accruals materially in excess of the liability admitted by the tax returns of the utility shall be transferred from this account and reported in an appropriately designated reserve account.

Kind of Tax (a)	Balance First of Year (b)	Amounts Accrued (c)	Payments During Year (d)	Other Items cr. or (dr.) (e)	Balance End of Year (f)	
Federal Income	0	11,742,876	6,075,044	(5,667,832)	0	* 1
FICA	(1,541)	2,976,716	2,976,714		(1,539)	2
FUTA	123	36,780	36,794		109	3
WI Franchise	732,519	1,190,261	252,261	(1,211,420)	459,099	* 4
WI License Fee	0	8,064,282	8,064,282		0	5
WI Unemployment	(979)	88,960	89,023		(1,042)	6
WI PSCW Remainder Assessment	0	717,997	717,997		0	7
WI Insurance	31,160	49,200	41,556		38,804	8
Storage Gas Tax	31,467	60,000	18,503		72,964	9
Non-Utility Property Tax	10,500	12,000	14,883		7,617	10
WI Use Tax	(22,979)	118,562	120,354		(24,771)	11
County Use Tax	594	8,311	8,479		426	12
Federal Excise Tax	8	46	95		(41)	13
State Excise Tax	11	115	114		12	14
Total:	780,883	25,066,106	18,416,099	(6,879,252)	551,638	

TAXES ACCRUED (ACCT. 236)

Taxes Accrued (Acct. 236) (Page F-42)**General footnotes****Federal Income Tax:****Other Items:**

Transfer of credit balance to Prepaid Income Tax acct.	(3,872,157)
Stock Options exercised and offset to APIC	(185,203)
Federal Income Tax refund allocation	13,398,190
Section 311(b) adjustment	(15,008,662)
Total Federal Income Tax Other Items	(5,667,832)
	=====

Wisconsin Franchise Tax:**Other Items:**

Section 311(b) adjustment	(1,204,498)
Stock Options exercised and offset to APIC	(6,922)
Total Wisconsin Franchise Tax Other Items	(1,211,420)
	=====

OTHER DEFERRED CREDITS (ACCOUNT 253)

1. Report below the particulars (details) called for concerning other deferred credits.
2. For any deferred credit being amortized, show the period of amortization.
3. Minor items (5% of the Balance End of Year for Account 253 or amounts less than \$10,000, whichever is greater) may be grouped by classes.

Description (a)	Balance First of Year (b)	Debits		Credit Amount (e)	Balance End of Year (f)	
		Contra Account (c)	Amount (d)			
Director's Deferred Compensation	1,225,337	Various	688,619	158,853	695,571	1
Qualified and Non-Qualified Pension	0				0	2
Liability Adjustments	9,086,208	Various	4,673,002	4,646,742	9,059,948	3
FAS 106 Postretirement Benefits	25,980,691	Various	3,605,710	26,897,267	49,272,248	4
Deferred Compensation	1,095,229	Various	247,647	74,459	922,041	5
Derivative Liability - FAS 133	1,798,510		15,992,810	14,194,300	0	6
Other	0		499,957	499,957	0	7
Total:	39,185,975		25,707,745	46,471,578	59,949,808	

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ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (ACCT. 255)

Report below information applicable to Account 255. Where appropriate, segregate the balances and transactions by utility and nonutility operations. Explain by footnote any correction adjustments to the account balance shown in column (g). Include in column (h) the average period over which tax credits are amortized.

Account Subdivisions (a)	Balance First of Year (b)	Deferred for Year		Allocations to Current Year's Income	
		Acct. No. (c)	Amount (d)	Acct. No. (e)	Amount (f)
Electric					
	0				
	0				
	0				
	0				
Total Electric:	0		0		0
Gas					
3%	0				
4%	0				
7%	0				
10%	3,401,514	255.1		411.4	377,688
Total Gas:	3,401,514		0		377,688
Water					
3%	0				
4%	0				
7%	0				
10%	0				
Total Water:	0		0		0
Common					
3%	0				
4%	0				
7%	0				
10%	0				
Total Common:	0		0		0
Nonutility					
3%	0				
4%	0				
7%	0				
10%	0				
Total Nonutility:	0		0		0
Other (Specify in Footnote)					
3%	0				
4%	0				
7%	0				
10%	0				
Total Other (Specify in Footnote):	0		0		0
Total	3,401,514		0		377,688

ACCUMULATED DEFERRED INVESTMENT TAX CREDITS (ACCT. 255) (cont.)

Adjustments (g)	Balance End of Year (h)	Average Period of Allocation to Income (i)	Adjustment Explanation (j)
	0		1
	0		2
	0		3
	0		4
0	0		
	0		5
	0		6
	0		7
	3,023,826		8
0	3,023,826		
	0		9
	0		10
	0		11
	0		12
0	0		
	0		13
	0		14
	0		15
	0		16
0	0		
	0		17
	0		18
	0		19
	0		20
0	0		
	0		21
	0		22
	0		23
	0		24
0	0		
0	3,023,826		

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (ACCT. 282)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization.
2. For Other (Specify in Footnote), include deferrals relating to other income and deductions.

Particulars (a)	Balance First of Year (b)	Changes During Year				
		Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	
Account 282						
Electric						
NONE	0					1
Total Electric:	0	0	0	0	0	
Gas						
Gas	56,350,247	24,826,295	22,440,846			* 2
Total Gas:	56,350,247	24,826,295	22,440,846	0	0	
Water						
Water	(6,418)	497				* 3
Total Water:	(6,418)	497	0	0	0	
Steam						
NONE	0					4
Total Steam:	0	0	0	0	0	
Common						
NONE	0					5
Total Common:	0	0	0	0	0	
Non-Utility						
NONE	0					6
Total Non-Utility:	0	0	0	0	0	
Other (Specify in Footnotes)						
See footnote	(102,118,589)					* 7
Total Other (Specify in Footnotes):	(102,118,589)	0	0	0	0	
Total Account 282:	(45,774,760)	24,826,792	22,440,846	0	0	
Classification of Total						
Federal Income Tax	(39,094,757)	21,518,123	19,786,691			* 8
State Income Tax	(6,680,003)	3,308,669	2,654,155			* 9
Local Income Tax	0					10
Total:	(45,774,760)	24,826,792	22,440,846	0	0	

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (ACCT. 282) (cont.)

Adjustments					Balance End of Year (k)	
Debits		Credits				
Account Charged (g)	Amount (h)	Account Charged (i)	Amount (j)			
				0		1
	0		0	0		
				58,735,696	*	2
	0		0	58,735,696		
				(5,921)	*	3
	0		0	(5,921)		
				0		4
	0		0	0		
				0		5
	0		0	0		
				0		6
	0		0	0		
165,182,236,254	1,541,678	165,182,236,254	13,785,931	(89,874,336)	*	7
	1,541,678		13,785,931	(89,874,336)		
	1,541,678		13,785,931	(31,144,561)		
165,182,236,254	1,330,519	165,182,236,254	12,695,683	(25,998,161)	*	8
165,182,236,254	211,159	165,182,236,254	1,090,248	(5,146,400)	*	9
				0		10
	1,541,678		13,785,931	(31,144,561)		

ACCUMULATED DEFERRED INCOME TAXES - OTHER PROPERTY (ACCT. 282)**Accumulated Deferred Income Taxes - Other Property (Acct. 282) (Page F-48)****General footnotes**

Wisconsin Gas LLC

Accumulated Deferred Income Taxes - Other Property (Acct. 282)

Line 2: Gas

The \$56,350,247 amount reported on column (b) "Balance First of Year" includes a \$4,719 increase when compared to the December 31, 2005 amount on column (k) "Balance End of Year". The 2006 beginning balance has been adjusted from \$56,345,528 to \$56,350,247 to reflect the corrected balance.

Line 3: Water

The \$(6,418) amount reported on column (b) "Balance First of Year" includes a \$4,719 decrease when compared to the December 31, 2005 amount on column (k) "Balance End of Year". The 2006 beginning balance has been adjusted from \$(1,699) to \$(6,418) to reflect the corrected balance.

Line 7: Other

Account	Balance First of Year (000's)	Changes During Year	
		Amounts Debited to Acct. 410.1 (000's)	Amounts Credited to Acct. 411.1 (000's)
(a)	(b)	(c)	(d)
Sec. 311(b)-Fed	(91,752,299)		
Sec. 311(b)-State	(9,071,764)		
FAS 109-Federal	(516,395)		
FAS 109-State	(778,131)		
Total Other	(102,118,589)	0	0

Account	Changes During Year		Adjustments	
	Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Acct. No (g)	Amount (h)
Sec. 311(b)-Fed.			165 & 236	1,019,539
Sec. 311(b)-State			165 & 236	129,426
FAS 109-Federal			182 & 254	310,980
FAS 109-State			182 & 254	81,733
Total Other	0	0		1,541,678

Account	Adjustments		Balance at End of Year (k)
	Credits Acct. No. (i)	Amount (j)	
Sec. 311(b)-Fed.	165 & 236	11,711,443	(81,060,395)
Sec. 311(b)-State	165 & 236	917,702	(8,283,488)
FAS 109-Federal	182 & 254	984,240	156,865
FAS 109-State	182 & 254	172,546	(687,318)
Total Other		13,785,931	(89,874,336)

Line 8: Federal Income Tax

The \$(39,094,757) total reported on column (b) "Balance First of Year" includes a \$36,306 decrease when compared to the December 31, 2005 total on column (k) "Balance End of Year". The 2006 beginning balance has been adjusted from \$(39,058,451) to \$(39,094,757) to reflect the corrected total.

Line 9: State Income Tax

The \$(6,680,003) total reported on column (b) "Balance First of Year" includes a \$36,305 increase when compared to the December 31, 2005 total on column (k) "Balance End of Year". The 2006 beginning balance has been adjusted from \$(6,716,308) to \$(6,680,003) to reflect the corrected total.

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ACCUMULATED DEFERRED INCOME TAXES - OTHER (ACCT. 283)

1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.
2. For Other (Specify in Footnote), include deferrals relating to other income and deductions.

Particulars (a)	Balance First of Year (b)	Changes During Year				
		Amounts Debited to Acct. 410.1 (c)	Amounts Credited to Acct. 411.1 (d)	Amounts Debited to Acct. 410.2 (e)	Amounts Credited to Acct. 411.2 (f)	
Account 283						
Electric						
NONE	0					1
Total Electric:	0	0	0	0	0	
Gas						
Gas	44,416,609	10,766,632	5,149,804			2
Total Gas:	44,416,609	10,766,632	5,149,804	0	0	
Water						
NONE	0					3
Total Water:	0	0	0	0	0	
Steam						
NONE	0					4
Total Steam:	0	0	0	0	0	
Common						
NONE	0					5
Total Common:	0	0	0	0	0	
Non-Utility						
NONE	0					6
Total Non-Utility:	0	0	0	0	0	
Other (Specify in Footnotes)						
See footnote	24,402,018	3,389,288				* 7
Total Other (Specify in Footnotes):	24,402,018	3,389,288	0	0	0	
Total Account 283:	68,818,627	14,155,920	5,149,804	0	0	
Classification of Total						
Federal Income Tax	60,564,967	12,507,051	4,521,446			8
State Income Tax	8,253,660	1,648,869	628,358			9
Local Income Tax						10
Total:	68,818,627	14,155,920	5,149,804	0	0	

ACCUMULATED DEFERRED INCOME TAXES - OTHER (ACCT. 283) (cont.)

Adjustments					Balance End of Year (k)	
Debits		Credits				
Account Charged (g)	Amount (h)	Account Charged (i)	Amount (j)			
				0	1	
	0		0	0		
				50,033,437	2	
	0		0	50,033,437		
				0	3	
	0		0	0		
				0	4	
	0		0	0		
				0	5	
	0		0	0		
				0	6	
	0		0	0		
				27,791,306	* 7	
	0		0	27,791,306		
	0		0	77,824,743		
				68,550,572	8	
				9,274,171	9	
				0	10	
	0		0	77,824,743		

ACCUMULATED DEFERRED INCOME TAXES - OTHER (ACCT. 283)**Accumulated Deferred Income Taxes - Other (Acct. 283) (Page F-50)****General footnotes**

WISCONSIN GAS LLC
Accumulated Deferred Income Taxes - Other (Acct. 283)

Line 7: Other

Account	Balance First of Year (000's)	Changes During Year	
		Amounts Debited to Acct. 410.1 (000's)	Amounts Credited to Acct. 411.1 (000's)
(a)	(b)	(c)	(d)
Purchase Acctg.-Fed.	21,467,259	2,981,668	
Purchase Acctg.-State	2,934,759	407,620	
Total Other	24,402,018	3,389,288	0
	=====	=====	=====

Account	Changes During Year		Adjustments	
	Amounts Debited to Acct. 410.2 (000's)	Amounts Credited to Acct. 411.2 (000's)	Acct. No.	Debits Amount (000's)
(a)	(b)	(c)		(d)
Purchase Acctg.-Fed.				
Purchase Acctg.-State				
Total Other	0	0		0
	=====	=====		=====

Account	Adjustments		Balance End of Year (000's)
	Acct. No.	Credits Amount (000's)	
(a)	(i)	(j)	(k)
Purchase Acctg.-Fed			24,448,927
Purchase Acctg.-State			3,342,379
Total Other		0	27,791,306
		=====	=====

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BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$100,000 and all lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Cash (131):		
CASH AT US BANK	91,592	1
CASH AT M&I BANK	89,452	2
Total (Acct. 131):	181,044	
Interest Special Deposits (132):		
NONE	0	3
Total (Acct. 132):	0	
Dividend Special Deposits (133):		
NONE	0	4
Total (Acct. 133):	0	
Other Special Deposits (134):		
NONE	0	5
Total (Acct. 134):	0	
Working Funds (135):		
WORKING FUNDS	500	6
Total (Acct. 135):	500	
Temporary Cash Investments (136):		
CERTIFICATES OF DEPOSITS	200,000	7
Total (Acct. 136):	200,000	
Notes Receivable (141):		
NONE	0	8
Total (Acct. 141):	0	
Accounts Receivable from Associated Companies (146):		
NONE		9
Total (Acct. 146):	0	
Fuel Stock (151):		
FUEL STOCK - GAS	66,613	10
Total (Acct. 151):	66,613	
Fuel Stock Expenses Undistributed (152):		
NONE	0	11
Total (Acct. 152):	0	
Residuals (153):		
NONE	0	12
Total (Acct. 153):	0	
Plant Materials and Operating Supplies (154):		
ASSIGNED TO CONSTRUCTION - GAS	3,454,682	13

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$100,000 and all lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Plant Materials and Operating Supplies (154):		
DISTRIBUTION PLANT - GAS	866,912	14
Total (Acct. 154):	4,321,594	
Merchandise (155):		
APPLIANCE PARTS - GAS	(3,673)	15
Total (Acct. 155):	(3,673)	
Other Materials and Supplies (156):		
NONE	0	16
Total (Acct. 156):	0	
Nuclear Materials Held for Sale (157):		
NONE	0	17
Total (Acct. 157):	0	
Allowances (Noncurrent Portion of Allowances) (158):		
NONE		18
Total (Acct. 158):	0	
Stores Expense Undistributed (163):		
UNDISTRIBUTED STORES EXPENSE - GAS	456,214	19
Total (Acct. 163):	456,214	
Gas Stored Underground-Current (164.1):		
GAS STORAGE	147,524,820	20
COMMODITY INJECTION FEES	297,691	21
GAS SOLD	(522,789)	22
COMMODITY COSTS TRANSFERS TO STORAGE	89,024,420	23
WITHDRAWN FOR SYSTEM USE	(140,515,516)	24
TRANSFER EXPENSE	169,782	25
OTHER FEES	(184,155)	26
Total (Acct. 164.1):	95,794,253	
LNG Stored (164.2):		
LIQUIFIED NATURAL GAS STORED	148,376	27
Total (Acct. 164.2):	148,376	
Held for Processing (164.3):		
NONE		28
Total (Acct. 164.3):	0	
Prepayments (165):		
PREPAID TAXES	10,039,195	29
PUBLIC BENEFITS FEES	1,050,346	30
Total (Acct. 165):	11,089,541	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$100,000 and all lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Advances for Gas (166-167):		
NONE		31
Total (Acct. 166-167):	0	
Interest and Dividends Receivable (171):		
NONE		32
Total (Acct. 171):	0	
Rents Receivable (172):		
NONE		33
Total (Acct. 172):	0	
Accrued Utility Revenues (173):		
GAS	66,470,039	34
WATER	472,065	35
Total (Acct. 173):	66,942,104	
Miscellaneous Current and Accrued Assets (174):		
PASSIVE MARGIN DEPOSITS	7,090,850	36
ARBITRAGE MARGIN DEPOSITS	50,257	37
Total (Acct. 174):	7,141,107	
Capital Stock Expense (214):		
NONE		38
Total (Acct. 214):	0	
Accounts Payable to Associated Companies (234):		
WISCONSIN ELECTRIC POWER COMPANY	15,699,589	39
Total (Acct. 234):	15,699,589	
Customer Deposits (235):		
NONE		40
Total (Acct. 235):	0	
Interest Accrued (237):		
UNSECURED NOTES - 5.5% DUE 2009	1,260,417	41
UNSECURED NOTES - 6.6% DUE 2013	866,250	42
UNSECURED NOTES - 5.2% DUE 2015	541,666	43
UNSECURED NOTES - 5.9% DUE 2035	442,500	44
Total (Acct. 237):	3,110,833	
Dividends Declared (238):		
NONE		45
Total (Acct. 238):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$100,000 and all lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Matured Long-Term Debt (239):		
NONE		46
Total (Acct. 239):	0	
Matured Interest (240):		
NONE		47
Total (Acct. 240):	0	
Tax Collections Payable (241):		
WISCONSIN STATE SALES TAX	967,625	48
EMPLOYEE STATE INCOME TAXES WITHHELD	290,496	49
COUNTY SALES TAXES	94,814	50
OTHER	(40,234)	51
Total (Acct. 241):	1,312,701	
Miscellaneous Current and Accrued Liabilities (242):		
TRUE-UP LIABILITY & REFUNDS DUE GAS CUSTOMERS	(4,642,750)	52
FAS 112 LIABILITY	4,020,009	53
ACCRUED VACATION PAYABLE	3,256,000	54
ACCRUED SALARIES AND WAGES	3,003,144	55
FAS 106 LIABILITY	2,800,000	56
ACCRUED MEDICAL CLAIMS	617,865	57
TENASKA COLLATERAL	11,881,200	58
OTHER	364,622	59
Total (Acct. 242):	21,300,090	

DISTRIBUTION OF TAXES TO ACCOUNTS

1. Explain basis for allocation if used.
2. If the total does not equal taxes accrued, include a reconciling footnote.

Function (a)	Wisconsin License Fee (b)	Wisconsin Income Tax (c)	Federal Income Tax (d)	FICA and Fed. & State Unemployment Tax (e)	
Accts. 408.1 and 409.1:					
Accts. 408.1 and 409.1: Electric					1
Accts. 408.1 and 409.1: Gas	8,064,282	1,082,944	11,277,915	2,927,986	2
Accts. 408.1 and 409.1: Water		102,922	453,334	23,717	3
Accts. 408.1 and 409.1: Steam					4
Accts. 408.2 and 409.2		2,640	11,627		5
Acct. 409.3					6
Clearing Accounts					7
Construction				696,977	8
Other (specify):					
None					9
Total:	8,064,282	1,188,506	11,742,876	3,648,680	

DISTRIBUTION OF TAXES TO ACCOUNTS (cont.)

PSC Remainder Assessment (f)	Local Property Tax (g)	State and Local Taxes Other Than Wisconsin (h)	Other Taxes (i)	Total (j)	
				0	1
717,997	12,000	60,000	108,788	24,251,912	2
				579,973	3
				0	4
		1,755		16,022	5
				0	6
				0	7
				696,977	8
				0	9
717,997	12,000	61,755	108,788	25,544,884	

INTEREST AND DIVIDEND INCOME (ACCT. 419)

List items greater than \$10,000 separately (others may be grouped). Describe fully using other than account titles.
--

Particulars (a)	Interest or Dividend Rate (b)	Amount (c)	
Interest and Dividend Income (419):			
Revenues:			
CD LEGACY BANK DEP 3/18/05	Various	165,142	1
DEFERRED INCOME TAX	Various	1,043,400	2
ARBITRAGE	Various	21,166	3
OTHER	Various	10,144	4
Subtotal Revenues:		1,239,852	
Expenses:			
NONE			5
Subtotal Expenses:		0	
Total (Acct. 419):		1,239,852	

INTEREST CHARGES (ACCTS. 427, 430 AND 431)

List items greater than \$10,000 separately (others may be grouped). Describe fully using other than account titles.
--

Particulars (a)	Amount (b)	
Interest on Long-Term Debt (427):		
NOTE DUE 2009 5.5%	2,750,000	1
NOTE DUE 2013 6.6%	2,970,000	2
DEBENTURE SERIES DUE 2015 5.2%	6,500,000	3
DEBENTURE SERIES DUE 2035 5.9%	5,310,000	4
Total (Acct. 427):	17,530,000	
Interest on Debt to Assoc. Companies (430):		
NONE		5
Total (Acct. 430):	0	
Other Interest Expense (431):		
SHORT TERM DEBT	1,899,404	6
MGP	40,470	7
DIRECTORS' DEFERRED COMPENSATION	145,696	8
BANK FEES	26,617	9
DEFERRED TAX INTEREST EXPENSE	362,939	10
OTHER	91,866	11
Total (Acct. 431):	2,566,992	
Total:	20,096,992	

INCOME STATEMENT ACCOUNT DETAILS

List items greater than \$10,000 separately (others may be grouped). Describe fully using other than account titles.
--

Particulars (a)	Amount (b)	
Revenues From Merchandising, Jobbing and Contract Work (415):		
NONE		1
Total (Acct. 415):	0	
Less: Costs and Exp. Of Merchandising, Job. & Contract Work (416):		
NON UTILITY BAD DEBT EXPENSE	(1,272)	2
Total (Acct. 416):	(1,272)	
Revenues From Nonutility Operations (417):		
CONSULTING SERVICES-BROWN DEER WATER UTILITY	64,800	3
POWER NOW	50,901	4
Total (Acct. 417):	115,701	
Less: Expenses of Nonutility Operations (417.1):		
POWER NOW-DISPOSITION EXPENSE	(28,336)	5
POWER NOW-PMA COVERED SERVICES	40,137	6
POWER NOW-SERVICE PARTS	20,250	7
POWER NOW-INSTALLATION	14,273	8
VARIOUS NON UTILITY EXPENSES	24,343	9
Total (Acct. 417.1):	70,667	
Nonoperating Rental Income (418):		
Operation Expense		10
Maintenance Expense		11
Rent Expense		12
Depreciation Expense		13
Amortization Expense		14
Other (specify):		
WISCONSIN RAPIDS OFFICE RENTAL	16,200	15
OTHER	760	16
Total (Acct. 418):	16,960	
Allowance for Other Funds Used During Construction (419.1):		
REPLACEMENT MAIN MILWAUKEE >\$100,000	30,462	17
OTHER	56,915	18
Total (Acct. 419.1):	87,377	
Miscellaneous Nonoperating Income (421):		
NONE		19
Total (Acct. 421):	0	
Gain on Disposition of Property (421.1):		
SALE OF CLINTONVILLE GARAGE	7,043	20
Total (Acct. 421.1):	7,043	

INCOME STATEMENT ACCOUNT DETAILS

List items greater than \$10,000 separately (others may be grouped). Describe fully using other than account titles.
--

Particulars (a)	Amount (b)	
Loss on Disposition of Property (421.2):		
SALE OF BROOKSTONE TRACT	421	21
Total (Acct. 421.2):	421	
Amort. of Debt. Disc. And Expense (428):		
DISCOUNT DEBENTURE 5.2% DUE 2015	95,833	22
EXPENSE DEBENTURE 5.2% DUE 2015	30,220	23
EXPENSE DEBENTURE 5.5% DUE 2009	43,282	24
DISCOUNT DEBENTURE 5.5% DUE 2009	37,395	25
DISCOUNT DEBENTURE 5.9% DUE 2035	33,480	26
EXPENSE DEBENTURE 5.9% DUE 2035	9,162	27
EXPENSE DEBENTURE 6.6% DUE 2013	33,071	28
Total (Acct. 428):	282,443	
Amortization of Loss on Required Debt (428.1):		
WATER REACQUIRED DEBT	3,564	29
Total (Acct. 428.1):	3,564	
Less: Amort. of Premium on Debt-Credit (429):		
NONE		30
Total (Acct. 429):	0	
Less: Amortization of Gain on Required Debt-Credit (429.1):		
NONE		31
Total (Acct. 429.1):	0	
Less: Allowance for Borrowed Funds Used During Construction-Cr. (432):		
MAIN REPLACEMENTS	15,342	32
OTHER	26,156	33
Total (Acct. 432):	41,498	
Extraordinary Income (434):		
NONE		34
Total (Acct. 434):	0	
Less: Extraordinary Deductions (435):		
NONE		35
Total (Acct. 435):	0	

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1. Report the reconciliation of reported net income for the year with taxable income used in computing Federal income tax accruals and show computation of such tax accruals. Include in the reconciliation, as far as practicable, the same detail as furnished on Schedule M-1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.
2. If the utility is a member of a group which files a consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating, however, intercompany amounts to be eliminated in such a consolidated return. State names of group member, tax assigned to each group member, and basis of allocation, assignment, or sharing of the consolidated tax among the group members.
3. A substitute page, designed to meet a particular need of a company, may be used as long as the data is consistent and meets the requirements of the above instructions. Provide the substitute page either in the context of a footnote or within the Appendix.

Particulars (Details) (a)	Amount (b)	
Net Income for the Year	34,823,799	1
Taxable Income Not Reported on Books		
See Note for Reconciliation of Reported Net with Taxable Income	2,182,865	* 2
Deductions Recorded on Books Not Deducted for Return		
See Note for Reconciliation of Reported Net with Taxable Income	27,016,810	* 3
Income Recorded on Books Not Included in Return		
See Note for Reconciliation of Reported Net with Taxable Income	3,132,791	* 4
Deductions on Return Not Charged Against Book Income		
See Note for Reconciliation of Reported Net with Taxable Income	49,070,531	* 5
Federal Tax Net Income	<u>11,820,152</u>	
Show Computation of Tax:		
See Note for Reconciliation of Reported Net with Taxable Income	11,742,876	* 6

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Page F-58)

General footnotes

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

Particulars (a)	Amount (000's)
Net Income for the Year	34,823,799
Reconciling items for the year:	
Taxable Income Not Reported on Books:	
CIAC Customer Advances	192,854
Contributions in Aid Of Construction - Tax	1,960,117
Medicare Part D Reimbursement	29,894
Total	2,182,865
Deductions Recorded on Books Not Deducted for Return:	
Federal and State Income Taxes (Current)	12,933,137
Provision for Deferred Taxes (Federal and State)	7,744,032
Debt Retirement	7,892
Bad Debt Reserve	4,630,303
Deferred Compensation - Directors	1,158
Amortization of Performance Shares	171,746
Amortization of Intangibles	21,436
Stock Options Expense	67,066
Depreciation Paybacks	150,253
Uncollectible Arrearages	350,663
Section 263A Capitalizations	133,000
Rely-A-Bill Consulting Fees	15,053
Risk Management Costs - RAB Program	13,113
Injury and Damages Accrual	264,660
Conservation/Weatherization - WRAP Program	221,256
Line Pack Adjustment	1,620
Inventory Reserve Adjustment	11,646
Bonus Accrual	57,000
Vacation Accrual	74,000
Restricted Stock Adjustment	23,828
Lobbying Expense	69,948
Meals and Entertainment Expense Disallowed	54,000
Total	27,016,810
Income Recorded on Books Not Included in Return:	
AFUDC - Debt	41,497
AFUDC - Equity	87,377
Officers' Life Insurance Cash Surrender Value	1,590,789
Pipeline Refunds	47,640
Interest - Tax Audits and Amended Returns	987,800
Investment Tax Credit - Net	377,688
Total	3,132,791
Deductions on Return not Charged Against Book Income:	
Interconnection and Other Intangibles Amortization	32,313
Tax Depreciation in Excess of Book Depreciation	4,714,441
Basis Differences on Fixed Asset Sales	1,065,000
Pension Accrual - FASB 87	7,130,490
Pension Accrual - Purchase Accounting	5,501,484
OPEB's - Post-retirement Benefit Accrual (Net of Paid)	688,265
OPEB's - Post-retirement Benefit Accrual - Purchase Acctg.	3,017,568
Deferred Compensation - Executives	133,367
Severance Compensation	3,961
Conservation and Efficiency	333,570
Regulatory Commission Assessment	6,000
Section 311(b) Basis Adjustments	14,368,239
Medical Claims - IBNR	453,423

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

Post Employment/Medical Accrual - FASB 112	417,689
Unicap Adjustment	1,185,000
Amortization of Conservation Expenditures	633,730
Manufactured Gas Plant Interest	1,055,681
Rely-A-Bill Reservation Fees	86,006
Futures Contracts Closed at Year End	1,835,517
Environmental Site Clean-up	4,570,744
Gross Receipts Tax	1,025,378
Wisconsin Franchise Tax Accrued	812,665
Total	49,070,531
Federal Tax Net Income	11,820,152
	=====
Tax @ 35%	4,137,053
Plus Superfund Tax	0

Taxes Applicable to Current Year	4,137,053
Adjustment to Prior Year's Taxes	(7,402,840)
Section 311(b) Adjustments - Prior Year's	9,979,779
Section 311(b) Adjustments - Current Year's	5,028,884
Net Tax Accrual	11,742,876
	=====

Wisconsin Gas LLC is a member of a consolidated group of companies/members filing a consolidated federal income tax return for the period ended 12/31/06 with it's ultimate parent: Wisconsin Energy Corporation.

The tax liability of each company/member of the consolidated tax return is as if separate returns were filed by each of the individual companies/members.

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
Electric			1
Operation			2
Production			3
Transmission			4
Distribution			5
Customer Accounts			6
Customer Service and Informational			7
Sales			8
Administrative and General			9
TOTAL Operation (Total of lines 3 thru 9)			10
Maintenance			11
Production			12
Transmission			13
Distribution			14
Administrative and General			15
TOTAL Maint. (Total of lines 12 thru 15)			16
Total Operation and Maintenance			17
Production (Total of lines 3 and 12)			18
Transmission (Total of lines 4 and 13)			19
Distribution (Total of lines 5 and 14)			20
Customer Accounts (Line 6)			21
Customer Service and Informational (Line 7)			22
Sales (Line 8)			23
Administrative and General (Total of lines 9 and 15)			24
TOTAL Operation and Maintenance (Total of lines 18 thru 24)			0 25
Gas			26
Operation			27
Production-Manufactured Gas	2,772		28
Production-Nat. Gas (Including Expl. And Dev.)			29
Other Gas Supply	450,794		30
Storage, LNG Terminating and Processing	12,537		31
Transmission	27,835		32
Distribution	12,233,714		33
Customer Accounts	5,657,573		34
Customer Service and Informational	5,323,317		35
Sales	10,891		36
Administrative and General	10,354,238		37
TOTAL Operation (Total of lines 28 thru 37)	34,073,671		38
Maintenance			39

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
Production-Manufactured Gas	5,372		40
Production-Natural Gas			41
Other Gas Supply			42
Storage, LNG Terminating and Processing	403		43
Transmission	69		44
Distribution	5,720,345		45
Administrative and General	36,365		46
TOTAL Maint. (Total of lines 40 thru 46)	5,762,554		47
Total Operation and Maintenance			48
Production-Manufactured Gas (Total of lines 28 and 40)	8,144		49
Production-Nat. Gas (Including Expl. And Dev.) (Total lines 29 and 41)			50
Other Gas Supply (Total lines 30 and 42)	450,794		51
Storage, LNG Terminating and Processing (Total lines 31 and 43)	12,940		52
Transmission (Lines 32 and 44)	27,904		53
Distribution (Lines 33 and 45)	17,954,059		54
Customer Accounts (Line 34)	5,657,573		55
Customer Service and Informational (Line 35)	5,323,317		56
Sales (Line 36)	10,891		57
Administrative and General (Lines 37 and 46)	10,390,603		58
TOTAL Operation and Maint. (Total of lines 49 thru 58)	39,836,225	440,567	40,276,792
Other Utility Departments			60
Operation and Maintenance	308,016	2,691	310,707
TOTAL All Utility Dept (Total of lines 25, 59 and 61)	40,144,241	443,258	40,587,499
Utility Plant			63
Construction (By Utility Departments)			64
Electric Plant			0
Gas Plant	9,441,166	214,659	9,655,825
Other	44,583	1,014	45,597
TOTAL Construction (Total of lines 65 thru 67)	9,485,749	215,673	9,701,422
Plant Removal (By Utility Departments)			69
Electric Plant			0
Gas Plant	485,203	20,097	505,300
Other	2,291	95	2,386
TOTAL Plant Removal (Total of lines 70 thru 72)	487,494	20,192	507,686
Other Accounts (Specify, provide details in footnote):			0
Inter Company (Associated Companies)	(11,503,656)		(11,503,656)
Nonoperating	121,163	715	121,878
Clearing Accounts (Fleet)	709,436	(709,436)	0
Deferred Debits	434,921	26,892	461,813

DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of salaries and wages for the year. Segregate amounts originally charged to clearing accounts to Utility Departments, Construction, Plant Removals, and Other Accounts, and enter such amounts in the appropriate lines and columns provided. In determining this segregation of salaries and wages originally charged to clearing accounts, a method of approximation giving substantially correct results may be used.

Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)	
Other	(131,247)	2,471	(128,776)	79
Clearing Other	13,711	235	13,946	80
			0	81
			0	82
			0	83
			0	84
			0	85
			0	86
			0	87
			0	88
			0	89
			0	90
			0	91
			0	92
			0	93
			0	94
TOTAL Other Accounts	(10,355,672)	(679,123)	(11,034,795)	95
TOTAL SALARIES AND WAGES	39,761,812	0	39,761,812	96

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

Particulars (a)	Amount (000s) (b)	
Acct. 922--Administrative Expenses Transferred - Cr.:		
Explain basis of computation of credit in this account.		
MISC. A&G OVERHEAD CAPITALIZED	(1,401,106)	1
MISC. ACCTS. RECEIVABLE TRANSFERRED TO NON-UTILITY ACCTS.	(13,389)	2
OTHER	(139,935)	3
Total (Acct. 922):	(1,554,430)	
Acct. 923--Outside Services Employed:		
State total cost, nature of service, and of each person who was paid for services includible in this account, \$25,000 or more.		
FIDELITY INSTITUTIONAL OPERATIONS - CONSULTING	39,105	4
BAKER & BOTTS - LEGAL	163,638	5
GONZALEZ SAGGIO BIRDSALL & HARLAN - LEGAL	38,878	6
GAS SUPPLY CONSULTING - CONSULTING	384,572	7
QUARLES & BRADY - LEGAL	88,063	8
THE GALLUP ORGANIZATION - CONSULTING	27,486	9
TOWERS PERRIN - ACTUARIAL	56,957	10
QUALE FELDBRUEGGE CALVELLI - LEGAL	98,866	11
MISCELLANEOUS OTHER	112,601	12
Total (Acct. 923):	1,010,166	
Acct. 924--Property Insurance:		
List hereunder major classes of expenses and also state extent (in footnotes) to which utility is self-insured against insurable risks to its property.		
Premiums for insurance	493,202	* 13
Dividends received from insurance companies--cr.		14
Amounts credited to Acct. 261, Property Insurance Reserve		15
Other (specify):		
NONE		16
Total (Acct. 924):	493,202	
Acct. 925--Injuries and Damages:		
List hereunder major classes of expense. Also, state extent (in footnotes) to which utility is self-insured against risks of injuries and damages to employees or to others.		
Premiums for insurance	1,137,685	17
Dividends received from insurance companies--cr.		18
Amounts credited to Acct. 262, Injuries and Damages Reserve		19
Expenses of investigating and adjusting claims		20
Costs of safety and accident-prevention activities	23,617	21
Other (specify):		
OTHER PERSONAL INJURIES & DAMAGES	284,537	22
WORKERS COMPENSATION	585,965	23
Total (Acct. 925):	2,031,804	
Acct. 926--Employee Pensions and Benefits:		
Report total amount for utility hereunder and show credit for amounts transferred to construction or other accounts, leaving the net balance in Acct. 926.		
Pension accruals or payments to pension fund	(4,306,858)	24

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

Particulars (a)	Amount (000s) (b)	
Acct. 926--Employee Pensions and Benefits:		
Report total amount for utility hereunder and show credit for amounts transferred to construction or other accounts, leaving the net balance in Acct. 926.		
Pension payments under unfunded basis		25
Employees benefits (life, health, accident & hospital insur. etc.)	11,371,295	26
Expense of educational and recreational activities for employees		27
Other (specify):		
TRANSFER TO CONSTRUCTION	(727,906)	28
TRANSFER TO SALVAGE & REMOVAL	(161,821)	29
TRANSFER TO NONUTILITY OPERATIONS	(48,798)	30
TRANSFER TO DEFERRED ASSETS	(174,675)	31
TRANSFER TO CLEARING ACCOUNTS	(5,362)	32
TRANSFER TO OTHER ACCOUNTS	(57,766)	33
Total (Acct. 926):	5,888,109	
Acct. 930.2--Miscellaneous General Expenses:		
Industry association dues	270,606	34
Nuclear power research expenses		35
Other experimental and general research expenses		36
Exp of corporate organization and of servicing outstanding securities of utility	950,442	37
Directors fees and expenses	153,926	38
Other (specify):		
DOA PUBLIC BENEFITS	75,816	39
CORPORATE MEMBERSHIPS	71,691	40
FEES/COLLECTIONS	88,687	41
OTHER	17,686	42
Total (Acct. 930.2):	1,628,854	

DETAIL OF CERTAIN GENERAL EXPENSE ACCOUNTS

Detail of Certain General Expense Accounts (Page F-60)

(Account 924-Property Insurance) State extent to which utility is self-insured against insurable risks to its property.

Premiums - Gas	484,462
Premiums - Water	8,740

Total	493,202
	=====

To the extent available at reasonable terms and conditions in the marketplace at any point in time, the company purchases property insurance for its insurable risks, on a replacement cost basis, subject to a range of deductibles and sublimits applicable to various causes of loss of specific types of property or equipment. The company is self insured to the extent of its deductibles or sublimits or for property/causes of loss which are not reasonably insurable in the current insurance market.

GAS OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Gas			
Sales of Gas (480-484)	763,765,111	796,385,208	1
Total Sales of Gas	763,765,111	796,385,208	
Other Operating Revenues			
Forfeited Discounts (487)	4,692,779	4,358,620	2
Miscellaneous Service Revenues (488)	1,601,507	1,785,375	3
Transportation (489)	32,869,283	31,370,323	4
Rent from Property (493)	75,058	29,500	5
Other Gas Revenues (495)	26,897,163	(9,953,538)	6
Penalty Revenue (497)	0	0	7
Utility Revenue Incentive (PBR) (498)	0	0	8
Total Other Operating Revenues	66,135,790	27,590,280	
Total Operating Revenues	829,900,901	823,975,488	
Production Expenses			
Manufactured Gas Production Expenses (700-742)	(907,614)	21,256	9
Natural Gas Production Expenses (750-792)	0		10
Purchased Gas Expenses (804-813)	586,977,570	601,370,314	11
Total Production Expenses	586,069,956	601,391,570	
Operation and Maintenance Expenses			
Storage Expenses (840-848.3)	31,879	23,285	12
Transmission Expenses (850-867)	120,881	49,087	13
Distribution Expenses (870-894)	29,954,231	27,362,074	14
Customer Accounts Expenses (901-905)	43,831,340	35,029,877	15
Customer Service Expenses (907-910)	13,021,838	11,780,415	16
Sales Promotion Expenses (911-916)	10,891	23,821	17
Administrative and General Expenses (920-935)	33,349,252	38,582,954	18
Total Operation and Maintenance Expenses	120,320,312	112,851,513	
Other Operating Expenses			
Depreciation Expense (403)	39,995,277	39,236,638	19
Amortization Limited-Term Utility Investment (404)	21,436	21,272	20
Amortization of Other Utility Plant (405)	0	0	21
Amortization of Utility Plant Acquisition Adjustment (406)	0	0	22
Amortization of Property Losses (407.1)	0	0	23
Amortization of Conversion Expenses (407.2)	0	0	24
Regulatory Debits (407.3)	0	0	25
(Less) Regulatory Credits (407.4)	0	0	26
Taxes Other Than Income Taxes (408.1)	11,891,053	10,851,986	27
Income Taxes (409.1)	12,360,859	9,961,173	28
Provision for Deferred Income Taxes (410.1, 411.1)	7,743,535	5,177,227	29
Accretion Expense FERC (411.10)	0		30

GAS OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Other Operating Expenses			
Investment Tax Credit Adjustment (411.4)	(377,688)	(617,820)	31
Total Other Operating Expenses	71,634,472	64,630,476	
Total Operating Expenses	778,024,740	778,873,559	
NET OPERATING INCOME	51,876,161	45,101,929	

GAS EXPENSES

Report all amounts on the basis and in conformity with the uniform system of accounts and accounting directives prescribed by this commission. Allocate "Total Operations" amounts jurisdictionally between Wisconsin (PSCW) jurisdiction and all other jurisdiction.

Particulars (a)	Wisconsin Jurisdictional Operations		Other Jurisdictional Operations		Total Operations (f)	
	Labor (b)	Other (c)	Labor (d)	Other (e)		
Production Expenses						
Manufactured Gas Production Expenses (700-742)	8,822	(916,436)			(907,614)	1
Natural Gas Production Expenses (750-792)					0	2
Purchased Gas Expenses (804-813)	450,369	586,527,201			586,977,570	3
Total Production Expenses	459,191	585,610,765	0	0	586,069,956	
Operation and Maintenance Expenses						
Storage Expenses (840-848.3)	12,986	18,893			31,879	4
Transmission Expenses (850-867)	28,207	92,674			120,881	5
Distribution Expenses (870-894)	18,320,296	11,633,935			29,954,231	6
Customer Accounts Expenses (901-905)	5,715,211	38,116,129			43,831,340	7
Customer Service Expenses (907-910)	5,323,322	7,698,516			13,021,838	8
Sales Promotion Expenses (911-916)	10,891				10,891	9
Administrative and General Expenses (920-935)	10,406,688	22,942,564			33,349,252	10
Total Operation and Maintenance Expenses	39,817,601	80,502,711	0	0	120,320,312	
Other Operating Expenses						
Depreciation Expense (403)		39,995,277			39,995,277	11
Amortization Limited-Term Utility Investment (404)		21,436			21,436	12
Amortization of Other Utility Plant (405)					0	13
Amortization of Utility Plant Acquisition Adjustment (406)					0	14
Amortization of Property Losses (407.1)					0	15
Amortization of Conversion Expenses (407.2)					0	16
Regulatory Debits (407.3)					0	17
(Less) Regulatory Credits (407.4)					0	18
Taxes Other Than Income Taxes (408.1)		11,891,053			11,891,053	19
Income Taxes (409.1)		12,360,859			12,360,859	20
Provision for Deferred Income Taxes (410.1, 411.1)		7,743,535			7,743,535	21
Accretion Expense FERC (411.10)					0	22
Investment Tax Credit Adjustment (411.4)		(377,688)			(377,688)	23
Total Other Operating Expenses	0	71,634,472	0	0	71,634,472	
Total Operating Expenses	40,276,792	737,747,948	0	0	778,024,740	

SALES OF GAS BY RATE SCHEDULE

1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl.
2. Report average number of customers on basis of number of meters. Where meters are added for billing purposes, count one customer for each group of meters so added.
3. Compute averages on basis of 12 month end figures.
4. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Particulars (a)	Rate Schedule (b)	Average Number Customers (c)	Therms Sold (d)	Amount (e)	
Wisconsin Geographical Operations					
Residential Sales (480)					
Residential Non-Space Heating	GS1	26,633	8,727,954	11,806,032	1
	GF1	104	82,136	126,889	2
Residential Space Heating	GS1	495,203	396,649,022	473,899,077	3
	GF1	10,014	8,568,732	12,284,610	4
	GF2	8	636,805	859,378	5
Total Account 480:		531,962	414,664,649	498,975,986	
Commercial and Industrial Sales (481)					
Commercial Non-Space Heating	LVF		272,054	297,258	6
	CG1		1,062,701	1,248,933	7
	FG1	1,811	1,477,688	1,620,576	8
	FG2	793	5,363,682	5,248,535	9
	FG3	176	2,335,547	2,238,238	10
	FG4	144	1,446,532	1,366,752	11
	AG2	4	117,930	102,414	12
	AG1	2	6,985	6,596	13
	AG3	1	18,118	11,977	14
Commercial Space Heating	CG1		24,871,306	29,121,605	15
	LVF		1,634,487	1,848,002	16
	FG1	33,678	35,744,272	40,070,009	17
	FG2	12,601	102,695,067	101,473,944	18
	FG3	597	24,027,266	23,074,087	19
	FG4	72	7,239,183	6,563,531	20
	AG1	4	(326)	(2,646)	21
	AG2	4	183,396	153,351	22
	AG3	1	73,529	59,691	23
	FG5	1	467,125	401,947	24
Industrial Non-Space Heating	LVF		643,275	726,964	25
	CG1		265,137	272,255	26
	FG2	69	842,561	822,027	27
	FG4	56	5,623,762	5,133,503	28
	FG3	50	1,983,454	1,895,455	29
	FG1	49	21,653	55,772	30
	AG2	25	724,310	604,277	31
	AG1	13	(1,721)	5,703	32
	AG3	7	273,694	203,989	33

SALES OF GAS BY RATE SCHEDULE

1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl.
2. Report average number of customers on basis of number of meters. Where meters are added for billing purposes, count one customer for each group of meters so added.
3. Compute averages on basis of 12 month end figures.
4. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Particulars (a)	Rate Schedule (b)	Average Number Customers (c)	Therms Sold (d)	Amount (e)	
Wisconsin Geographical Operations					
Commercial and Industrial Sales (481)					
Industrial Non-Space Heating	AG4	4	462,238	363,758	34
	FG5	1	186,191	168,555	35
	FG6	1		33,750	36
Industrial Space Heating	CG1		1,401,789	1,623,566	37
	LVF		1,097,979	1,201,984	38
	AG4			1,900	39
	FG2	492	6,318,106	6,283,713	40
	FG1	244	459,466	502,587	41
	FG3	139	7,071,828	6,696,417	42
	FG4	46	7,117,360	6,433,185	43
	AG1	4	13,435	8,560	44
	AG2	2	36,009	28,200	45
	FG5	1	516,616	468,734	46
	AG3	1	47,028	40,128	47
interruptible	IG6	4	9,549,192	7,210,982	48
Interruptible	IM5		149,664	171,973	49
	IM4		152,707	171,578	50
	IM3		445,221	547,124	51
	IM2		444,458	480,427	52
	IM1		7,619	8,894	53
	IG4	20	3,024,896	2,444,832	54
	IG3	7	404,329	345,351	55
	IG5	2	989,456	824,854	56
Natural Gas Vehicle Firm	NG2	3	33,637	29,758	57
	NG3	3	130,063	118,105	58
	NG1	1	303	367	59
Other	800	1	1,414,873	1,171,663	60
Sales to End Users Through Marketers	OVERTAKE			2,419,687	61
Total Account 481:		51,134	260,887,130	264,425,377	
Sales for Resale (483)					
Other	OTHER			363,748	62
Total Account 483:		0	0	363,748	
Interdepartmental Sales (484)					
Firm	NONE				63

SALES OF GAS BY RATE SCHEDULE

1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl.
2. Report average number of customers on basis of number of meters. Where meters are added for billing purposes, count one customer for each group of meters so added.
3. Compute averages on basis of 12 month end figures.
4. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Particulars (a)	Rate Schedule (b)	Average Number Customers (c)	Therms Sold (d)	Amount (e)	
Wisconsin Geographical Operations					
Interdepartmental Sales (484)					
Interruptible	NONE				64
Total Account 484:		0	0	0	
Total Sales of Gas		583,096	675,551,779	763,765,111	
Transportation (489)					
Commercial Non-Space Heating	GT2		29,800	3,573	65
	GT3		140,490	12,240	66
	TG4	7	789,295	96,075	67
	TG2	6	110,804	21,840	68
	TG3	4	194,566	30,426	69
Commercial Space Heating	GT2		1,141,200	133,733	70
	TG3	143	6,802,271	1,070,996	71
	TG2	141	3,011,501	577,692	72
	TG4	84	12,169,017	1,366,950	73
	TG5	2	914,487	81,729	74
	GT3	2	2,222,489	194,098	75
	TG1	1	16,084	3,802	76
Industrial Non-Space Heating	GT2		169,497	3,299	77
	TG4	221	51,765,198	5,126,889	78
	TG6	76	134,552,958	7,553,113	79
	TG5	60	36,847,618	2,959,301	80
	TG3	52	3,324,833	477,511	81
	TG2	15	370,191	68,114	82
	TG8	2	28,460,482	924,881	83
Industrial Space Heating	GT2		278,222	81,775	84
	GT3		2,018,216	174,790	85
	GT3		8,315,572	527,209	86
	TG4	67	12,303,706	1,294,455	87
	TG3	62	3,713,854	541,077	88
	TG2	35	753,510	144,040	89
	TG5	7	3,854,471	329,515	90
	TG6	1	157,570	13,084	91
	TG1	1	12,237	3,127	92
Industrial Transportation (Interruptible)	806	15	52,230,082	1,825,372	93
	804	6	2,279,790	145,005	94

SALES OF GAS BY RATE SCHEDULE

1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl.
2. Report average number of customers on basis of number of meters. Where meters are added for billing purposes, count one customer for each group of meters so added.
3. Compute averages on basis of 12 month end figures.
4. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Particulars (a)	Rate Schedule (b)	Average Number Customers (c)	Therms Sold (d)	Amount (e)	
Wisconsin Geographical Operations					
Transportation (489)					
Industrial Transportation (Interruptible)	808	4	54,708,673	1,121,540	95
	805	2	1,321,073	92,769	96
	803	1	67,708	(30,129)	97
	807	1	7,221,131	117,160	98
Other	FTS			488,615	99
Transport Gas - PWGS	902	1	83,911,041	4,145,726	100
Transportation Interruptible	IT2		7,966,615	350,660	101
	IT3		6,649,753	408,451	102
	IT4		1,548,253	123,856	103
	IT5		132,616	15,451	104
	IT1		8,231,299	249,473	105
Total Account 489:		1,019	540,708,173	32,869,283	
Total Wisconsin		584,115	1,216,259,952	796,634,394	
Out-of-State Geographical Operations					
Residential Sales (480)					
Non-Space Heating	NONE				106
Space heating	NONE				107
Total Account 480:		0	0	0	
Commercial and Industrial Sales (481)					
Commercial Non-Space Heating	NONE				108
Commercial Space Heating	NONE				109
Industrial Non-Space Heating	NONE				110
Industrial Space Heating	NONE				111
Other	NONE				112
Total Account 481:		0	0	0	
Sales for Resale (483)					
	NONE				113
Total Account 483:		0	0	0	
Interdepartmental Sales (484)					
Firm	NONE				114
Interruptible	NONE				115
Total Account 484:		0	0	0	
Total Sales of Gas		0	0	0	

SALES OF GAS BY RATE SCHEDULE

1. Report data by rate schedule (including unbilled revenues and therms), classified between space heating and non-space heating customers and show totals for each account 480-484 incl.
2. Report average number of customers on basis of number of meters. Where meters are added for billing purposes, count one customer for each group of meters so added.
3. Compute averages on basis of 12 month end figures.
4. For industrial interruptible sales, report data by priority of interruption if not provided for by separate rate schedules.

Particulars (a)	Rate Schedule (b)	Average Number Customers (c)	Therms Sold (d)	Amount (e)
Out-of-State Geographical Operations				
Transportation (489)				
Transport	NONE			16
Total Account 489:		0	0	0
Total Out-of-State		0	0	0
TOTAL THROUGHPUT		584,115	1,216,259,952	796,634,394

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OTHER OPERATING REVENUES (GAS)

1. Report succinct statement of the revenues in each account and show separate totals for each account.
2. Report name of lessee and description of property for major items of rent revenue. Group other rents less than \$25,000 by classes.
3. For sales of water and water power, report name of purchaser, purpose for which water used and the development supplying water.
4. Report basis of charges for any interdepartmental rents.
5. Report details of major items in Acct. 456. Group items less than \$25,000.

Particulars (a)	Amount (b)	
Forfeited Discounts (487):		
LATE CHARGES	4,692,779	1
Total Forfeited Discounts (487)	4,692,779	
Miscellaneous Service Revenues (488):		
RAB EARLY TERMINATION	40,500	2
RECONNECT CHARGE	223,976	3
RETURNED CHECK CHARGE	76,085	4
MISCELLANEOUS	74,216	5
RBOCD	20,855	6
NOMINATION FEES	10,031	7
SHIPPER BALANCING	1,155,844	8
Total Miscellaneous Service Revenues (488)	1,601,507	
Revenues from Transportation of Gas of Others (489):		
TRANSPORT GAS	32,869,283	9
Total Revenues from Transportation of Gas of Others (489)	32,869,283	
Rent from Gas Property (493):		
PROPERTY RENT	75,058	10
Total Rent from Gas Property (493)	75,058	
Other Gas Revenues (495):		
MISCELLANEOUS	6,435	11
SALES TAX COLLECTION DISCOUNT	73,047	12
TRUE-UP ADJUSTMENT	26,817,681	13
Total Other Gas Revenues (495)	26,897,163	
Penalty Revenue (497):		
NONE		14
Total Penalty Revenue (497)	0	
Utility Revenue Incentive (PBR) (498):		
NONE		15
Total Utility Revenue Incentive (PBR) (498)	0	

GAS OPERATION AND MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
MANUFACTURED GAS PRODUCTION EXPENSES					
Operation Supervision and Engineering (710)			0	0	1
Steam Expenses (711)			0	0	2
Other Power Expenses (712)			0	0	3
Liquefied Petroleum Gas Expenses (717)	2,857	2,293	5,150	6,236	4
Liquefied Petroleum Gas (728)	425	1,421	1,846	4,110	5
Miscellaneous Production Expenses (735)		(923,248)	(923,248)	2,365	6
Rents (736)			0	0	7
Maintenance Supervision and Engineering (740)			0	0	8
Maintenance of Structures and Improvements (741)	1,052	1,062	2,114	3,932	9
Maintenance of Production Equipment (742)	4,488	2,036	6,524	4,613	10
Total Manufactured Gas Production Expenses	8,822	(916,436)	(907,614)	21,256	
NATURAL GAS PRODUCTION EXPENSES					
Rents (783)			0		11
Total Natural Gas Production Expenses	0	0	0	0	
OTHER GAS SUPPLY EXPENSES					
Natural Gas City Gate Purchases (804)	450,369	586,193,543	586,643,912	601,074,833	12
Liquefied Natural Gas Purchases (804.1)			0	0	13
Total Other Gas Supply Expenses	450,369	586,193,543	586,643,912	601,074,833	
GAS TRANSMISSION EXPENSES					
Other Gas Purchases (805)			0	0	14
Total Gas Transmission Expenses	0	0	0	0	
OTHER GAS SUPPLY EXPENSES					
Purchased Gas Cost Adjustments (805.1)			0	0	15
Incremental Gas Cost Adjustments (805.2)			0	0	16
Exchange Gas (806)			0	0	17
Purchased Gas Expenses (807)		162,107	162,107	150,071	18
Gas Withdrawn from Storage -- Debit (808.1)		171,551	171,551	145,410	19
(Less) Gas Delivered to Storage -- Credit (808.2)			0	0	20
Withdrawals of Liquefied Natural Gas held for Processing -- debit (809.1)			0	0	21
(Less) Deliveries of Natural Gas for Processing -- Credit (809.2)			0	0	22
(Less) Gas Used for Compressor Station Fuel -- Credit (810)			0	0	23
(Less) Gas Used for products Extraction -- Credit (811)			0	0	24
(Less) Gas Used for Other Utility Operations -- Credit (812)			0	0	25

GAS OPERATION AND MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
OTHER GAS SUPPLY EXPENSES					
Other Gas Supply Expenses (813)			0	0	26
Total Other Gas Supply Expenses	0	333,658	333,658	295,481	
OTHER STORAGE EXPENSES					
Operation Supervision and Engineering (840)			0	0	27
Operation Labor and Expenses (841)	12,584	4,276	16,860	18,990	28
Rents (842)			0	0	29
Fuel (842.1)			0	0	30
Power (842.2)			0	0	31
Gas Losses (842.3)			0	0	32
Maintenance Supervision and Engineering (843.1)			0	0	33
Maintenance of Structures and Improvements (843.2)			0	0	34
Maintenance of Gas Holders (843.3)			0	222	35
Maintenance of Purification Equipment (843.4)			0	0	36
Maintenance of Liquefaction Equipment (843.5)			0	0	37
Maintenance of Vaporizing Equipment (843.6)			0	0	38
Maintenance of Compressor Equipment (843.7)			0	0	39
Maintenance of Measuring and Regulating Station Equipment (843.8)			0	0	40
Maintenance of Other Equipment (843.9)	402	14,617	15,019	4,074	41
Total Other Storage Expenses	12,986	18,893	31,879	23,286	
TRANSMISSION EXPENSES					
Operation Supervision and Engineering (850)			0	0	42
System Control and Load Dispatching (851)			0	0	43
Communication System Expenses (852)			0	0	44
Compressor Station Labor and Expenses (853)			0	0	45
Gas for Compressor Station Fuel (854)			0	0	46
Other Fuel and Power for Compressor Stations (855)			0	0	47
Mains Expenses (856)	28,135	92,652	120,787	48,405	48
Measuring and Regulating Station Expenses (857)	2	6	8	215	49
Transmission and Compression of Gas by Others (858)			0	0	50
Other Expenses (859)			0	0	51
Rents (860)			0	0	52
Maintenance Supervision and Engineering (861)			0	0	53
Maintenance of Structures and Improvements (862)			0	0	54
Maintenance of Mains (863)	71	15	86	467	55
Maintenance of Compressor Station Equipment (864)			0	0	56
Maintenance of Measuring and Regulating Station Equipment (865)			0	0	57
Maintenance of Communication Equipment (866)			0	0	58

GAS OPERATION AND MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
TRANSMISSION EXPENSES					
Maintenance of Other Equipment (867)			0	0	59
Total Transmission Expenses	28,208	92,673	120,881	49,087	
DISTRIBUTION EXPENSES					
Operation Supervision and Engineering (870)	1,102,909	70,908	1,173,817	1,417,418	60
Distribution Load Dispatching (871)	493,939	53,252	547,191	465,981	61
Compressor Station Labor and Expenses (872)			0	0	62
Compressor Station Fuel and Power (873)			0	0	63
Mains and Services Expenses (874)	1,958,412	4,055,756	6,014,168	6,585,282	64
Measuring and Regulating Station Expenses--General (875)	503,519	360,131	863,650	812,357	65
Measuring and Regulating Station Expenses--Industrial (876)			0	0	66
Measuring and Regulating Station Expenses--City Gate Check Stations (877)	380,429	953,584	1,334,013	1,400,854	67
Meter and House Regulator Expenses (878)	2,130,402	582,589	2,712,991	1,997,115	68
Customer Installations Expenses (879)	2,580,084	405,391	2,985,475	2,063,614	69
Other Expenses (880)	3,272,970	626,821	3,899,791	3,467,526	70
Rents (881)			0	0	71
Maintenance Supervision and Engineering (885)	732,480	56,734	789,214	814,265	72
Maintenance of Structures and Improvements (886)			0	0	73
Maintenance of Mains (887)	1,528,706	1,489,510	3,018,216	2,413,608	74
Maintenance of Compressor Station Equipment (888)			0	0	75
Maintenance of Measuring and Regulating Station Equipment--General (889)	622,052	307,924	929,976	925,340	76
Maintenance of Measuring and Regulating Station Equipment--industrial (890)			0	0	77
Maintenance of Measuring and Reg. Station Equip.--City Gate Check Stations (891)	128,568	101,086	229,654	290,609	78
Maintenance of Services (892)	2,043,559	1,704,629	3,748,188	2,961,756	79
Maintenance of Meters and House Regulators (893)	766,562	820,549	1,587,111	1,612,088	80
Maintenance of Other Equipment (894)	75,705	45,071	120,776	134,261	81
Total Distribution Expenses	18,320,296	11,633,935	29,954,231	27,362,074	
CUSTOMER ACCOUNTS EXPENSES					
Supervision (901)	113,916	102,310	216,226	219,558	82
Meter Reading Expenses (902)	745,678	2,907,978	3,653,656	2,945,169	83
Customer Records and Collection Expenses (903)	4,855,617	10,574,453	15,430,070	18,310,730	84
Uncollectible Accounts (904)		24,482,150	24,482,150	13,501,265	85
Miscellaneous Customer Accounts Expenses (905)		49,238	49,238	53,156	86
Total Customer Accounts Expenses	5,715,211	38,116,129	43,831,340	35,029,878	
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES					
Supervision (907)	180,206	28,943	209,149	207,893	87
Customer Assistance Expenses (908)	5,141,354	7,974,282	13,115,636	11,349,006	88

GAS OPERATION AND MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES					
Informational and Instructional Advertising Expenses (909)	1,762	296,772	298,534	372,617	89
Miscellaneous Customer Service and Informational Expenses (910)		(601,481)	(601,481)	(149,101)	90
Total Customer Service and Informational Expenses	5,323,322	7,698,516	13,021,838	11,780,415	
SALES EXPENSES					
Supervision (911)			0	0	91
Demonstrating and Selling Expenses (912)	10,891	0	10,891	23,821	92
Advertising Expenses (913)			0	0	93
Miscellaneous Sales Expenses (916)			0	0	94
Total Sales Expenses	10,891	0	10,891	23,821	
ADMINISTRATIVE AND GENERAL EXPENSES					
Administrative and General Salaries (920)	10,357,744	26,536	10,384,280	11,159,743	95
Office Supplies and Expenses (921)	(476,423)	13,253,073	12,776,650	14,795,634	96
(Less) Administrative Expenses Transferred -- Credit (922)		1,547,433	1,547,433	1,399,578	97
Outside Services Employed (923)		1,010,166	1,010,166	1,159,673	98
Property Insurance (924)		484,462	484,462	527,533	99
Injuries and Damages (925)		2,029,778	2,029,778	2,210,218	100
Employee Pensions and Benefits (926)		5,773,692	5,773,692	7,717,267	101
Franchise Requirements (927)			0	0	102
Regulatory Commission Expenses (928)	479,754	101,986	581,740	700,113	103
(Less) Duplicate Charges -- Credit (929)			0	0	104
General Advertising Expenses (930.1)	167	22,343	22,510	21,364	105
Miscellaneous General Expenses (930.2)	8,661	1,615,818	1,624,479	1,589,803	106
Rents (931)			0	0	107
Maintenance of General Plant (935)	36,785	172,143	208,928	101,184	108
Total Administrative and General Expenses	10,406,688	22,942,564	33,349,252	38,582,954	
Total Operation and Maintenance Expenses	40,276,793	666,113,475	706,390,268	714,243,085	

DETAIL OF NATURAL GAS CITY GATE PURCHASES, ACCT. 804

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
PURCHASED GAS EXPENSES					
Wages and Salaries (804.11)	450,369	2,262	452,631	462,823	1
Supplies and Expenses (804.12)		462	462	625	2
Miscellaneous Purchased Gas Expenses (804.13)			0	8	3
Gas Contract Reservation Fees (804.21)		1,369,400	1,369,400	2,168,306	4
Gas Contract Commodity Costs (804.22)		224,203,369	224,203,369	229,841,761	5
Spot Gas Commodity Costs (804.23)		225,437,900	225,437,900	402,535,079	6
Other Gas Purchases (804.24)		30,469,166	30,469,166	20,938,978	7
Gas Surcharges (804.25)			0	0	8
Financial Instruments Expenses (804.26)		18,615,333	18,615,333	(7,606,354)	9
Gas Purchase Miscellaneous Expenses (804.27)			0	0	10
Gas Costs for Opportunity Sales (804.28)			0	0	11
(Less) Purchased Gas Sold -- Credit (804.32)		41,030,975	41,030,975	80,956,183	12
(Less) Gas Commodity Cost Transferred to Storage -- Credit (804.33)		89,024,420	89,024,420	204,732,936	13
(Less) Gas Used in Utility Operations -- Credit (804.34)		1,120,167	1,120,167	1,116,909	14
(Less) Gas Used for Transmission Pumping & Compression -- Credit (804.35)		8,026,691	8,026,691	10,546,986	15
Total Purchased Gas Expenses	450,369	360,895,639	361,346,008	350,988,212	
TRANSMISSION EXPENSES					
Transmission Contract Reservation Fees (804.41)		59,895,115	59,895,115	49,064,972	16
Commodity Transmission Fees (804.42)		1,539,167	1,539,167	1,570,416	17
Gas Transmission Surcharges (804.43)		139,687	139,687	160,309	18
Gas Transmission Fuel Expense (804.44)		8,026,691	8,026,691	10,546,986	19
No-Notice Service Expenses (804.45)		2,457,518	2,457,518	2,512,954	20
Other Transmission Fees and Expenses (804.46)		16,573	16,573	14,470	21
Miscellaneous Transmission Expenses (804.48)			0	0	22
Penalties, Unauthorized Use and Overrun, Utility (804.49)		(5,417)	(5,417)	18,884	23
Penalties, Unauthorized Use and Overrun, End-User (804.51)			0	0	24
(Less) Transmission Services Sold -- Credit (804.52)		9,357,568	9,357,568	19,985,050	25
(Less) Gas Transmission Expenses Transferred to Storage -- Credit (804.53)		467,473	467,473	875,980	26
(Less) Gas Transmission Expense Used in Operations -- Credit (804.54)			0	0	27
Transmission Costs for Opportunity Sales (804.55)			0	0	28
Total Transmission Expenses	0	62,244,293	62,244,293	43,027,961	
STORAGE EXPENSES					
Storage Reservation Fees (804.61)		22,822,254	22,822,254	28,022,383	29
Stored Gas Costs for System Use (804.62)		140,231,357	140,231,357	179,036,277	30
Storage Penalties (804.63)			0	0	31
Stored Gas Costs for Opportunity Sales (804.64)			0	0	32
(Less) Storage Capacity Released or Sold -- Credit (804.72)			0	0	33
(Less) Stored Gas Sold -- Credit (804.73)			0	0	34
Total Storage Expenses	0	163,053,611	163,053,611	207,058,660	
Total Expenses - Account 804 - Excl Pipeline Refunds	450,369	586,193,543	586,643,912	601,074,833	

DETAIL OF NATURAL GAS CITY GATE PURCHASES, ACCT. 804

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
Pipeline Refunds (804.06)			0	0	35
Total Expenses - Account 804	<u>450,369</u>	<u>586,193,543</u>	<u>586,643,912</u>	<u>601,074,833</u>	

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GAS UTILITY PLANT IN SERVICE

1. Include in column (e) entries reclassifying property from one account or utility service to another, etc..
2. Corrections of entries of the current or immediately preceding year should be recorded in columns (c) or (d), accordingly, as they are corrections of additions or retirements.

Account (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	
INTANGIBLE PLANT				
Organization (301)	0			1
Franchises and Consents (302)	211,017		211,017	2
Miscellaneous Intangible Plant (303)	763,635	11	14,130	3
Total Intangible Plant	974,652	11	225,147	
MANUFACTURED GAS PRODUCTION PLANT				
Land and Land Rights (304)	62,184			4
Structures and Improvements (305)	163,075			5
Boiler Plant Equipment (306)	0			6
Other Power Equipment (307)	0			7
Coke Ovens (308)	0			8
Producer Gas Equipment (309)	0			9
Water Gas Generating Equipment (310)	0			10
Liquefied Petroleum Gas Equipment (311)	0			11
Oil Gas generating equipment (312)	0			12
Generating Equipment--Other Processes (313)	0			13
Coal, Coke, and Ash Handling Equipment (314)	0			14
Catalytic Cracking Equipment (315)	0			15
Other Reforming Equipment (316)	0			16
Purification Equipment (317)	0			17
Residual Refining Equipment (318)	0			18
Gas Mixing Equipment (319)	403,680			19
Other Equipment (320)	0			20
Total Manufactured Gas Production Plant	628,939	0	0	
NATURAL GAS STORAGE & PROCESSING - OTHER STORAGE PLANT				
Land and Land Rights (360)	23,230			21
Structures and Improvements (361)	103,721			22
Gas Holders (362)	1,020,149			23
Purification Equipment (363)	0			24
Liquifaction Equipment (363.1)	0			25
Vaporizing Equipment (363.2)	115,079			26
Compressor Equipment (363.3)	0			27
measuring and Regulating Equipment (363.4)	7,471			28
Other Equipment (363.5)	107,207			29
Total Natural Gas Storage & Processing - Other Storage Plant	1,376,857	0	0	
NATURAL GAS STORAGE & PROCESSING - BASE LOAD LNG TERMINALING AND PROCESSING PLNT				
Land and Land Rights (364.1)	0			30
Structures and Improvements (364.2)	0			31
LNG Processing Terminal Equipment (364.3)	0			32

GAS UTILITY PLANT IN SERVICE (cont.)

Account (a)	Adjustments Increase or (Decrease) (e)	Transfers (f)	Balance End of Year (g)	
Organization (301)			0	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			749,516	3
	0	0	749,516	
Land and Land Rights (304)			62,184	4
Structures and Improvements (305)			163,075	5
Boiler Plant Equipment (306)			0	6
Other Power Equipment (307)			0	7
Coke Ovens (308)			0	8
Producer Gas Equipment (309)			0	9
Water Gas Generating Equipment (310)			0	10
Liquefied Petroleum Gas Equipment (311)			0	11
Oil Gas generating equipment (312)			0	12
Generating Equipment--Other Processes (313)			0	13
Coal, Coke, and Ash Handling Equipment (314)			0	14
Catalytic Cracking Equipment (315)			0	15
Other Reforming Equipment (316)			0	16
Purification Equipment (317)			0	17
Residual Refining Equipment (318)			0	18
Gas Mixing Equipment (319)			403,680	19
Other Equipment (320)			0	20
	0	0	628,939	
Land and Land Rights (360)			23,230	21
Structures and Improvements (361)			103,721	22
Gas Holders (362)			1,020,149	23
Purification Equipment (363)			0	24
Liquifaction Equipment (363.1)			0	25
Vaporizing Equipment (363.2)			115,079	26
Compressor Equipment (363.3)			0	27
measuring and Regulating Equipment (363.4)			7,471	28
Other Equipment (363.5)			107,207	29
	0	0	1,376,857	
Land and Land Rights (364.1)			0	30
Structures and Improvements (364.2)			0	31
LNG Processing Terminal Equipment (364.3)			0	32

GAS UTILITY PLANT IN SERVICE

1. Include in column (e) entries reclassifying property from one account or utility service to another, etc..
2. Corrections of entries of the current or immediately preceding year should be recorded in columns (c) or (d), accordingly, as they are corrections of additions or retirements.

Account (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	
NATURAL GAS STORAGE & PROCESSING - BASE LOAD LNG TERMINALING AND PROCESSING PLNT				
LNG Transportation Equipment (364.4)	0			33
Measuring and Regulating Equipment (364.5)	0			34
Compressor Station Equipment (364.6)	0			35
Communication Equipment (364.7)	0			36
Other Equipment (364.8)	0			37
Total Natural Gas Storage & Processing - Base Load LNG Terminaling and Processing Plnt	0	0	0	
TRANSMISSION PLANT				
Land and Land Rights (365.1)	35,209			38
Rights-of-Way (365.2)	4,656,436	5,136		39
Structures and Improvements (366)	932,341	1,922		40
Mains (367)	105,530,575	(19,539)		41
Compressor Station Equipment (368)	0			42
Measuring and Regulating Station Equipment (369)	1,759,682	(149)	(8,920) *	43
Communication Equipment (370)	0			44
Other Equipment (371)	0			45
Total Transmission Plant	112,914,243	(12,630)	(8,920)	
DISTRIBUTION PLANT				
Land and Land Rights (374)	3,855,931	78,595	140,200 *	46
Structures and Improvements (375)	3,482,121	421,008	6,387	47
Mains (376)	434,171,621	13,331,223	1,821,671 *	48
Compressor Station Equipment (377)	0			49
Meas. and Reg. Station Equipment - General (378)	20,164,659	1,050,593	299,144 *	50
Meas. and Reg. Station Equipment - Cty. Gate (379)	16,913,190	672,890	363,135 *	51
Services (380)	280,249,793	9,245,419	924,610 *	52
Meters (381)	64,395,234	3,748,435	1,783,112	53
Meter Installations (382)	77,476,276	7,394,290	111,417	54
House Regulators (383)	15,228,012	948,223	1,535,569 *	55
House Regulatory Installations (384)	0			56
Industrial Measuring and Regulating Station Equipment (385)	6,012,330	1,037,273	356,309	57
Other Property on Customers' Premises (386)	0			58
Other Equipment (387)	5,323,341			59
Asset Retirement Costs for Distribution Plant (388)	0			60
Total Distribution Plant	927,272,508	37,927,949	7,341,554	
GENERAL PLANT				
Land and Land Rights (389)	939,818	15,994	393	61
Structures and Improvements (390)	25,453,008	404,725	731,919	62
Office Furniture and Equipment (391)	3,938,463	94,849	1,469,287	63
Transportation Equipment (392)	9,678,410	1,061,366	330,240	64

GAS UTILITY PLANT IN SERVICE (cont.)

Account (a)	Adjustments Increase or (Decrease) (e)	Transfers (f)	Balance End of Year (g)	
LNG Transportation Equipment (364.4)			0	33
Measuring and Regulating Equipment (364.5)			0	34
Compressor Station Equipment (364.6)			0	35
Communication Equipment (364.7)			0	36
Other Equipment (364.8)			0	37
	0	0	0	
Land and Land Rights (365.1)			35,209	38
Rights-of-Way (365.2)			4,661,572	39
Structures and Improvements (366)			934,263	40
Mains (367)			105,511,036	41
Compressor Station Equipment (368)			0	42
Measuring and Regulating Station Equipment (369)	(65,804)	0	1,702,649	* 43
Communication Equipment (370)			0	44
Other Equipment (371)			0	45
	(65,804)	0	112,844,729	
Land and Land Rights (374)	(8,323)	0	3,786,003	* 46
Structures and Improvements (375)			3,896,742	47
Mains (376)	8,334	0	445,689,507	* 48
Compressor Station Equipment (377)			0	49
Meas. and Reg. Station Equipment - General (378)	76,030	0	20,992,138	* 50
Meas. and Reg. Station Equipment - Cty. Gate (379)	(8,875)	0	17,214,070	* 51
Services (380)	(10)	0	288,570,592	* 52
Meters (381)			66,360,557	53
Meter Installations (382)		0	84,759,149	54
House Regulators (383)	(1,350)	0	14,639,316	* 55
House Regulatory Installations (384)			0	56
Industrial Measuring and Regulating Station Equipment (385)			6,693,294	57
Other Property on Customers' Premises (386)			0	58
Other Equipment (387)			5,323,341	59
Asset Retirement Costs for Distribution Plant (388)			0	60
	65,806	0	957,924,709	
Land and Land Rights (389)			955,419	61
Structures and Improvements (390)		0	25,125,814	62
Office Furniture and Equipment (391)			2,564,025	63
Transportation Equipment (392)	(3,926)	0	10,405,610	64

GAS UTILITY PLANT IN SERVICE

1. Include in column (e) entries reclassifying property from one account or utility service to another, etc..
2. Corrections of entries of the current or immediately preceding year should be recorded in columns (c) or (d), accordingly, as they are corrections of additions or retirements.

Account (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	
GENERAL PLANT				
Stores Equipment (393)	96,542			65
Tools, Shop and Garage Equipment (394)	3,141,878	839,712		66
Laboratory Equipment (395)	0			67
Power-Operated Equipment (396)	3,053,890	176,309	213,836	68
Communication Equipment (397)	13,662,298	17,788,384		69
Miscellaneous Equipment (398)	323,480			70
Other Tangible Property (399)	0			71
Asset Retirement Costs for General Plant (399.1)	0			72
Total General Plant	60,287,787	20,381,339	2,745,675	
Total utility plant in service	1,103,454,986	58,296,669	10,303,456	

GAS UTILITY PLANT IN SERVICE (cont.)

Account (a)	Adjustments Increase or (Decrease) (e)	Transfers (f)	Balance End of Year (g)	
Stores Equipment (393)			96,542	65
Tools, Shop and Garage Equipment (394)	23,114	0	4,004,704	66
Laboratory Equipment (395)			0	67
Power-Operated Equipment (396)	(23,114)	0	2,993,249	68
Communication Equipment (397)			31,450,682	69
Miscellaneous Equipment (398)	3,926	0	327,406	70
Other Tangible Property (399)			0	71
Asset Retirement Costs for General Plant (399.1)			0	72
	0	0	77,923,451	
	2	0	1,151,448,201	

GAS UTILITY PLANT IN SERVICE

Gas Utility Plant in Service (Page G-07)

General footnotes

(e) Reclassing property between plant account & Rounding Adjustments

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ACCUMULATED PROVISION FOR DEPRECIATION - GAS

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary Plant Accounts (a)	Balance First of Year (b)	Straight Line Rate % Used (c)	Accruals During Year	
			Straight Line Amount (d)	Additional Amount (e)
INTANGIBLE PLANT				
Organization (301)	0			
Franchises and Consents (302)				*
Miscellaneous Intangible Plant (303)			21,436	*
Total Intangible Plant	0		21,436	0
MANUFACTURED GAS PRODUCTION PLANT				
Land and Land Rights (304)	0			
Structures and Improvements (305)	141,358	3.75%	6,115	
Boiler Plant Equipment (306)	0			
Other Power Equipment (307)	0			
Coke Ovens (308)	0			
Producer Gas Equipment (309)	0			
Water Gas Generating Equipment (310)	0			
Liquefied Petroleum Gas Equipment (311)	0			
Oil Gas generating equipment (312)	0			
Generating Equipment--Other Processes (313)	0			
Coal, Coke, and Ash Handling Equipment (314)	0			
Catalytic Cracking Equipment (315)	0			
Other Reforming Equipment (316)	0			
Purification Equipment (317)	0			
Residual Refining Equipment (318)	0			
Gas Mixing Equipment (319)	312,680	4.75%	19,175	
Other Equipment (320)	0			
Total Manufactured Gas Production Plant	454,038		25,290	0
NATURAL GAS STORAGE & PROCESSING - OTHER STORAGE PLANT				
Land and Land Rights (360)	0			
Structures and Improvements (361)	117,376	4.00%	4,149	
Gas Holders (362)	1,151,068	2.56%	26,116	
Purification Equipment (363)	0			
Liquifaction Equipment (363.1)	0			
Vaporizing Equipment (363.2)	128,834	3.14%	3,613	
Compressor Equipment (363.3)	0			
measuring and Regulating Equipment (363.4)	8,386	3.14%	235	
Other Equipment (363.5)	120,340	3.14%	3,366	
Total Natural Gas Storage & Processing - Other Storage Plant	1,526,004		37,479	0
NATURAL GAS STORAGE & PROCESSING - BASE LOAD LNG TERMINALING AND PROCESSING PLNT				
Land and Land Rights (364.1)	0			
Structures and Improvements (364.2)	0			
LNG Processing Terminal Equipment (364.3)	0			
LNG Transportation Equipment (364.4)	0			

ACCUMULATED PROVISION FOR DEPRECIATION - GAS (cont.)

Account (a)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
301					0	1
302	211,017			211,017	0	* 2
303	14,130			68,960	76,266	* 3
	225,147	0	0	279,977	76,266	
304					0	4
305					147,473	5
306					0	6
307					0	7
308					0	8
309					0	9
310					0	10
311					0	11
312					0	12
313					0	13
314					0	14
315					0	15
316					0	16
317					0	17
318					0	18
319		1,900			329,955	19
320					0	20
	0	1,900	0	0	477,428	
360					0	21
361					121,525	22
362					1,177,184	23
363					0	24
363.1					0	25
363.2					132,447	26
363.3					0	27
363.4					8,621	28
363.5					123,706	29
	0	0	0	0	1,563,483	
364.1					0	30
364.2					0	31
364.3					0	32
364.4					0	33

ACCUMULATED PROVISION FOR DEPRECIATION - GAS

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary Plant Accounts (a)	Balance First of Year (b)	Straight Line Rate % Used (c)	Accruals During Year	
			Straight Line Amount (d)	Additional Amount (e)
NATURAL GAS STORAGE & PROCESSING - BASE LOAD LNG TERMINALING AND PROCESSING PLNT				
Measuring and Regulating Equipment (364.5)	0			34
Compressor Station Equipment (364.6)	0			35
Communication Equipment (364.7)	0			36
Other Equipment (364.8)	0			37
Total Natural Gas Storage & Processing - Base Load LNG Terminaling and Processing Plnt	0		0	0
TRANSMISSION PLANT				
Land and Land Rights (365.1)	0			38
Rights-of-Way (365.2)				39
Structures and Improvements (366)	244,943	3.06%	28,567	40
Mains (367)	12,485,597	2.44%	2,574,625	41
Compressor Station Equipment (368)	0			42
Measuring and Regulating Station Equipment (369)	78,393	3.06%	53,262	43
Communication Equipment (370)	0	6.67%		44
Other Equipment (371)	0			45
Total Transmission Plant	12,808,933		2,656,454	0
DISTRIBUTION PLANT				
Land and Land Rights (374)				* 46
Structures and Improvements (375)	801,331	2.74%	101,436	47
Mains (376)	206,215,721	2.78%	12,185,528	* 48
Compressor Station Equipment (377)	0			49
Meas. and Reg. Station Equipment - General (378)	7,482,608	3.53%	718,687	* 50
Meas. and Reg. Station Equipment - Cty. Gate (379)	2,594,069	3.33%	560,930	* 51
Services (380)	231,121,852	4.88%	13,802,704	* 52
Meters (381)	31,646,963	3.80%	2,507,990	53
Meter Installations (382)	58,287,290	3.79%	3,055,400	* 54
House Regulators (383)	9,514,943	2.61%	387,837	* 55
House Regulatory Installations (384)	0			56
Industrial Measuring and Regulating Station Equipment (385)	1,917,402	8.33%	548,759	57
Other Property on Customers' Premises (386)	0			58
Other Equipment (387)	5,077,437	20.00%	158,888	59
Asset Retirement Costs for Distribution Plant (388)	0			60
Total Distribution Plant	554,659,616		34,028,159	0
GENERAL PLANT				
Land and Land Rights (389)	0			* 61
Structures and Improvements (390)	12,274,972	2.39%	597,989	* 62
Office Furniture and Equipment (391)	2,539,514		280,976	63
Transportation Equipment (392)	5,495,824		913,160	64
Stores Equipment (393)	36,152	6.67%	6,436	65
Tools, Shop and Garage Equipment (394)	1,079,591	6.67%	230,792	* 66

ACCUMULATED PROVISION FOR DEPRECIATION - GAS (cont.)

Account (a)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
364.5					0	34
364.6					0	35
364.7					0	36
364.8					0	37
	0	0	0	0	0	
365.1					0	38
365.2					0	39
366					273,510	40
367					15,060,222	41
368					0	42
369	(8,920)				140,575	43
370					0	44
371					0	45
	(8,920)	0	0	0	15,474,307	
374	140,200			140,200	0	* 46
375	6,387	(82)			896,462	47
376	1,821,671	214,232		12	216,365,358	* 48
377					0	49
378	299,144	37,465		2,091	7,866,777	* 50
379	363,135	14,238		(1,886)	2,775,740	* 51
380	924,610	757,008		(272)	243,242,666	* 52
381	1,783,112		70,953		32,442,794	53
382	111,417	45,226		260	61,186,307	* 54
383	1,535,569	25		(205)	8,366,981	* 55
384					0	56
385	356,309	14,851			2,095,001	57
386					0	58
387					5,236,325	59
388					0	60
	7,341,554	1,082,963	70,953	140,200	580,474,411	
389	393			393	0	* 61
390	731,919	371,918		11,876	11,781,000	* 62
391	1,469,287	221	500		1,351,482	63
392	330,240	4,220	92,700		6,167,224	64
393					42,588	65
394		1,054	2,450	19,647	1,331,426	* 66

ACCUMULATED PROVISION FOR DEPRECIATION - GAS

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary Plant Accounts (a)	Balance First of Year (b)	Straight Line Rate % Used (c)	Accruals During Year	
			Straight Line Amount (d)	Additional Amount (e)
GENERAL PLANT				
Laboratory Equipment (395)	0	6.67%		67
Power-Operated Equipment (396)	1,749,024		279,566	* 68
Communication Equipment (397)	4,209,223	10.00%	2,108,168	69
Miscellaneous Equipment (398)	140,599	6.67%	21,697	* 70
Other Tangible Property (399)	0			71
Asset Retirement Costs for General Plant (399.1)	0			72
Retirement Work in Progress	0			73
Total General Plant	27,524,899		4,438,784	0
Total accum. prov. for depreciation	596,973,490		41,207,602	0

ACCUMULATED PROVISION FOR DEPRECIATION - GAS (cont.)

Account (a)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
395					0	67
396	213,836	(38,269)	29,700	(19,647)	1,863,076	* 68
397		51,468	16,132		6,282,055	69
398				75	162,371	* 70
399					0	71
399.1					0	72
RWIP					0	73
	2,745,675	390,612	141,482	12,344	28,981,222	
	10,303,456	1,475,475	212,435	432,521	627,047,117	

ACCUMULATED PROVISION FOR DEPRECIATION - GAS

Accumulated Provision for Depreciation - Gas (Page G-09)**General footnotes**

Adjustments column (i)

1. Intangible Plant not part of page in 2005

2. Accts 374 & 389 to offset system input of retirements because these land accounts are not included in Depr Reserve Acct 108

3. Reclassify Plant Accounts:

From 380 to 382: 260

From 380 to 376: 12

From 396 to 394: 19,647

From 379 to 378: 1,886

From 383 to 378: 205

From 390 to 398: 75

4. Acct 390 Building sold reserve adj of 11,951

GAS STORED (ACCOUNTS 117, 164.1, 164.2 AND 164.3)

1. If during the year, adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation for the reason for the adjustment, the MCF and dollar amount of the adjustment, and account charged or credited.
2. Give in a footnote, a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.
4. If the company has provided accumulated provision for stored gas, which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of FERC authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during the year.
5. Report pressure base of gas volumes as 14.73 psia at 60 Degrees F. (See Note 1)

Description (a)	Noncurrent (Acct. 117) (b)	Current (Acct. 164.1) (c)	LNG (Acct. 164.2) (d)	LNG (Acct. 164.3) (e)	Total (f)	
Balance at Beginning of Year	0	147,524,820	169,446	0	147,694,266	1
Gas Delivered to Storage		89,491,893	151,307		89,643,200	2
Gas Withdrawn from Storage (contra Account)		(141,222,460)	(172,377)		(141,394,837)	3
						4
Other Debits or Credits (Net)		0			0	5
Balance at End of Year	0	95,794,253	148,376	0	95,942,629	6
Therms (000's)		142,722	84		142,806	7
Amount per Therm	0.000	0.671	1.766	0.000	0.672	8

DETAIL OF STORED GAS ACCOUNT (ACCOUNT 164.1)

1. If during the year, adjustment was made to the stored gas inventory (such as to correct cumulative inaccuracies of gas measurements), furnish in a footnote an explanation for the reason for the adjustment, the MCF and dollar amount of the adjustment, and account charged or credited.
2. Give in a footnote, a concise statement of the facts and the accounting performed with respect to any encroachment of withdrawals during the year, or restoration of previous encroachment, upon native gas constituting the "gas cushion" of any storage reservoir.
3. If the company uses a "base stock" in connection with its inventory accounting, give a concise statement of the basis of establishing such "base stock" and the inventory basis and the accounting performed with respect to any encroachment of withdrawals upon "base stock," or restoration of previous encroachment, including brief particulars of any such accounting during the year.
4. If the company has provided accumulated provision for stored gas, which may not eventually be fully recovered from any storage project, furnish a statement showing: (a) date of FERC authorization of such accumulated provision, (b) explanation of circumstances requiring such provision, (c) basis of provision and factors of calculation, (d) estimated ultimate accumulated provision accumulation, and (e) a summary showing balance of accumulated provision and entries during the year.
5. Report pressure base of gas volumes as 14.73 psia at 60 Degrees F. (See Note 1)

Description (a)	Commodity Storage Fees Acct. 164.11 (b)	Commodity Injection Fees Acct. 164.12 (c)	Commodity Withdrawal Fees Acct. 164.13 (d)	Other Storage Fees Acct. 164.14 (e)	Stored Gas Withdrawn Acct. 164.16 (f)	
Balance at Beginning of Year	0	0	0	0	0	1
Gas Delivered to Storage		297,691				2
Gas Withdrawn from Storage (contra Account)				(184,155)	(522,789)	3
Other Debits or Credits (Net)						4
Balance at End of Year	0	297,691	0	(184,155)	(522,789)	5
Therms					(610)	6
Amount per Therm	0.000	0.000	0.000	0.000	0.857	7

Description (a)	Gas Commodity Costs Transferred to Storage - Debit Acct. 164.33 (g)	Gas Transmission Expense Transferred to Storage - Debit Acct. 164.53 (h)	Stored Gas Withdrawn for System Use Acct. 164.62 (i)	Stored Gas Forfeited Acct. 164.63 (j)	Total Acct. 164.1 (k)	
Balance at Beginning of Year	0	0	0	0	147,524,820	8
Gas Delivered to Storage	89,024,420	169,782			89,491,893	9
Gas Withdrawn from Storage (contra Account)			(140,515,516)		(141,222,460)	10
Other Debits or Credits (Net)					0	11
Balance at End of Year	89,024,420	169,782	(140,515,516)	0	95,794,253	12
Therms	140,832		(182,984)		142,722	13
Amount per Therm	0.632	0.000	0.768	0.000	0.671	14

LIQUEFIED NATURAL GAS STORED (ACCT. 164.2 - 164.3)

Particulars (a)	Amount (b)	Amount Therms (c)	
Balance, beginning of year	169,446	107,557	1
Gas delivered to storage	151,307	85,567	2
Gas withdrawn from storage (debit account 808)	172,377	108,754	3
Other transactions or adjustments (explain): NONE			4
Balance, end of year	148,376	84,370	

LIQUEFIED NATURAL GAS STORAGE STATISTICS

Location of Plant (a)	Total Storage Capacity Therms (b)	Maximum Daily Capacity Therms (c)	Total Investment End of Year (d)	Maximum Day's Withdrawal (e)	Total Production Expense for Year (f)
Rice Lake, WI	174,300	36,750	1,376,857		

1

GAS PRODUCTION STATISTICS

Location of Plant (a)	Type of Plant (b)	Maximum Daily Capacity Dekatherms (c)	Threms Produced During Year (d)	Total Investment End of Year (e)	Total Production Expense for Year (f)	
Monroe	Liquified Petroleum Gas	0		43,345		1
Tomah	Liquified Petroleum Gas	24,000	0	585,595	-916252 *	2
		24,000	0	628,940	-916252	

GAS PRODUCTION STATISTICS

Gas Production Statistics (Page G-15)

General footnotes

Includes (\$925,527) in MGP insurance recoveries, interest and amortization.

LIQUID PETROLEUM GAS STORAGE

Record hereunder number of liquid petroleum gas storage tanks and total capacity in gallons by location.
--

Location (a)	Number of Tanks (b)	Water Capacity (c)	
Monroe, WI*	0	0	1
Tomah, WI**	4	120,000	2

PURCHASED GAS

Report below the specified information for each point of metering.
--

Name of Vendor (a)	Point of Metering (b)	Type of Gas Purchased (c)	Therms of Gas Purchased (d)	Total Cost of Gas Purchased (e)	
Various	ANR	Natural	187,541,405	167,988,498	1
Various	Guardian	Natural	219,459,727	214,498,009	2
Various	NNG	Natural	210,799,738	164,301,669	3
Various	Viking	Natural	44,033,520	40,522,809	4
Total:			661,834,390	587,310,985	

PURCHASED GAS (cont.)

Average Cost Per Therm of Gas Purchased (f)	Maximum Therms Purchased in One Day (g)	Date of Such Maximum Purchase (h)	Average BTU Content per Cubit Foot of Gas (i)	
0.896	3,977,080	02/18/2006		1
0.977	2,508,520	02/18/2006	0.000	2
0.779	1,296,130	02/18/2006	0.000	3
0.920	374,130	02/18/2006	0.000	4
0.887				

GAS MAINS

1. Report mains separately by pipe material, diameter and either within or outside Wisconsin.
2. Identify pipe material as: I (Cast Iron), S (Steel), P (Plastic), Cu (Copper), F (Fiberglass), or O (Other).
3. Explain all reported adjustments as a schedule footnote.
4. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Pipe Material (a)	Diameter in Inches (c)	Number of Feet			Adjustments Increase or (Decrease) (g)	End of Year (h)	
		First of Year (d)	Added During Year (e)	Retired During Year (f)			
Within Wisconsin							
Steel	0.750	81,887		808	270	81,349	* 1
	1.000	43,008		1,834		41,174	2
	1.250	2,198,276	454	16,810		2,181,920	3
	2.000	8,748,519	883	54,924		8,694,478	4
	3.000	5,358,985	12	29,368	836	5,330,465	* 5
	4.000	4,272,841	12,546	17,145		4,268,242	6
	6.000	2,636,442	1,689	3,926	682	2,634,887	* 7
	8.000	1,882,269	5,992	3,866	582	1,884,977	8
	10.000	24,178				24,178	9
	12.000	564,694	96	83		564,707	10
	14.000	63,187				63,187	11
	16.000	126,783				126,783	12
	18.000	14,515				14,515	13
	20.000	398,891				398,891	14
	22.000	69,411	61	5,565		63,907	15
	24.000	256,783	8,707	91		265,399	16
	26.000	2,627				2,627	17
	30.000	163,014		33		162,981	18
Total:		26,906,310	30,440	134,453	2,370	26,804,667	
Plastic							
	0.625	44,917		122		44,795	19
	0.750	121,203		1,072	69	120,200	* 20
	1.000	9,567	1,191			10,758	21
	1.125	28,523		278		28,245	22
	1.250	5,990,122	2,261	18,556	491	5,974,318	* 23
	2.000	12,739,225	473,099	44,093	376	13,168,607	* 24
	3.000	4,491,520	70	23,925	677	4,468,342	* 25
	4.000	4,331,834	203,959	23,986		4,511,807	26
	6.000	696,733	59,327	5,792		750,268	27
Total:		28,453,644	739,907	117,824	1,613	29,077,340	
Copper							
	1.125	15,567		100		15,467	28
Total:		15,567	0	100	0	15,467	

GAS MAINS

1. Report mains separately by pipe material, diameter and either within or outside Wisconsin.
2. Identify pipe material as: I (Cast Iron), S (Steel), P (Plastic), Cu (Copper), F (Fiberglass), or O (Other).
3. Explain all reported adjustments as a schedule footnote.
4. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Pipe Material (a)	Diameter in Inches (c)	Number of Feet				End of Year (h)
		First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	
Within Wisconsin						
Fiberglass	2.000	384,430		5,204		379,226
	3.000	81,015		878		80,137
	4.000	20,105				20,105
Total:		485,550	0	6,082	0	479,468
Total Within Wisconsin		55,861,071	770,347	258,459	3,983	56,376,942
Total Utility		55,861,071	770,347	258,459	3,983	56,376,942

GAS MAINS

Gas Mains (Page G-20)

General footnotes

#3 ADJUSTMENTS: Reclass Service Footage to Main

#4a: Gas main expenditures are initially financed with internally generated cash, or with short term debt, or may be covered by a customer contribution if applicable. On a long-term basis, investments in gas mains not covered by customer contributions are financed with both equity and debt based on the company's overall target capitalization ratios.

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GAS SERVICES

Number of services should include only those owned by utility.
--

Type/Size (a)	Total services first of year		Number added during year	
	Main to curb (b)	On customers' premises (c)	Main to curb (d)	On customers' premises (e)
Gas Services Located in Wisconsin				
Steel				
0.750	103,664	0	42	* 1
1.000	238	0	1	* 2
1.250	9,542	0	5	* 3
1.500	284	0		4
2.000	2,313	0	3	* 5
3.000	593	0		* 6
4.000	201	0	1	* 7
6.000	83	0		8
8.000	15	0	1	* 9
12.000	5	0		* 10
Total Steel:	116,938	0	53	0
Copper				
0.625	112	0		* 11
0.750	12	0		12
1.000	24,397	0		* 13
1.250	16	0		* 14
1.500	4	0		15
Total Copper:	24,541	0	0	0
Plastic				
0.625	272,409	0	4,322	* 16
0.750	38,304	0	10	* 17
1.000	30,966	0	1,266	* 18
1.250	4,696	0	5	* 19
2.000	1,477	0	139	* 20
3.000	341	0	0	* 21
4.000	122	0	16	22
6.000	5	0	3	* 23
Total Plastic:	348,320	0	5,761	0
Other				
0.625	1	0		24
2.000	1	0		25
Total Other:	2	0	0	0
Total Within Wisconsin	489,801	0	5,814	0
Total Utility:	489,801	0	5,814	0

GAS SERVICES (cont.)

Number retired during year		Adjustments during year		Total services end of year		
Main to curb (f)	On customers' premises (g)	Main to curb (h)	On customers' premises (i)	Main to curb (j)	On customers' premises (k)	
728		72		103,050	0	* 1
1		1		239	0	* 2
35		29		9,541	0	* 3
2				282	0	4
(21)		3		2,340	0	* 5
(5)		3		601	0	* 6
2		2		202	0	* 7
(4)				87	0	8
		(2)		14	0	* 9
		(1)		4	0	* 10
738	0	107	0	116,360	0	
(6)		235		353	0	* 11
				12	0	12
		(24,397)		0	0	* 13
(203)		24,416		24,635	0	* 14
				4	0	15
(209)	0	254	0	25,004	0	
726		435		276,440	0	* 16
(27)		24		38,365	0	* 17
(1)		(27,340)		4,893	0	* 18
35		27,466		32,132	0	* 19
		14		1,630	0	* 20
(4)		1		346	0	* 21
				138	0	22
1		2		9	0	* 23
730	0	602	0	353,953	0	
				1	0	24
				1	0	25
0	0	0	0	2	0	
1,259	0	963	0	495,319	0	
1,259	0	963	0	495,319	0	

GAS SERVICES

Gas Services (Page G-21)

General footnotes

(h) Adjustments: Reconcile Property with Engineering Records

Have inactive services been retired in accordance with requirements of paragraph C of Account 380 of Uniform System of Accounts?

Yes

Have inactive services been disconnected from the gas supply in accordance with section 192.727(g) of the Wisconsin Administrative Code?

Yes

GAS METERS

Number of meters should include only those carried in Utility Plant Account 381.
--

Particulars (a)	Number End of Year (b)	
Diaphragmed meters (capacity at 1/2 inch water column pressure drop:		1
2,400 cu. ft. per hour or less	619,662	2
Over 2,400 cu. ft. per hour	0	3
Rotary meters	5,759	4
Orifice meters	24	5
Total end of year	625,445	6
		7
In stock	21,977	8
Locked meters on customers' premises	1,695	9
Regular meters in customers' use	601,610	10
Prepayment meters in customers' use	0	11
Meters in company use, included in Account 381	163	12
Total end of year (as above)	625,445	13
		14
No. of diaphragmed meters at end of year which compensate for temperature	624,423	15
Number of house regulators installed at end of year	500,406	16

SUMMARY OF GAS ACCOUNT & SYSTEM LOAD STATISTICS

Particulars (a)	Total All Systems Therms (b)	Wisconsin Operations Therms (c)	Out of State Operations Therms (d)	
GAS ACCOUNT				1
Gas produced (gross):				2
Propane - air	0			3
Other gas	0			4
Total gas produced	0	0	0	5
Gas purchased:				6
Natural	623,768,461	623,768,461		7
Other gas	23,187	23,187		8
Total gas purchased	623,791,648	623,791,648	0	9
Add: Gas withdrawn from storage	180,651,950	180,651,950		10
Less: Gas delivered to storage	142,586,020	142,586,020		11
Total	661,857,578	661,857,578	0	12
Transport gas received	537,641,157	537,641,157		13
Total gas delivered to mains	1,199,498,735	1,199,498,735	0	14
Gas sold				15
Gas sold (incl. interdepartmental)	675,551,779	675,551,779		16
Gas used by utility	1,315,099	1,315,099		17
Transport gas delivered	540,708,173	540,708,173		18
Total	1,217,575,051	1,217,575,051	0	19
Gas unaccounted for	(18,076,316)	(18,076,316)	0	20
				21
SYSTEM LOAD STATISTICS				22
Maximum send-out in any one day	8,260,130	8,260,130		23
Date of such maximum		02/17/2006		24
Maximum daily capacity:				25
Total manufactured-gas production capacity	24,000	24,000		26
Liquefied natural gas storage capacity	36,750	36,750		27
Maximum daily purchase capacity	9,479,530	9,479,530		28
Total maximum daily capacity	9,540,280	9,540,280	0	29
Monthly send-out:				30
January	144,819,144	144,819,144		31
February	160,274,073	160,274,073		32
March	149,201,394	149,201,394		33
April	79,178,770	79,178,770		34
May	69,020,926	69,020,926		35
June	57,738,166	57,738,166		36
July	59,615,842	59,615,842		37
August	61,323,041	61,323,041		38
September	58,966,239	58,966,239		39
October	102,741,464	102,741,464		40
November	108,946,283	108,946,283		41
December	147,673,393	147,673,393		42
Total send-out	1,199,498,735	1,199,498,735	0	43
Footnotes				44

HIRSCHMAN-HERFINDAHL INDEX

The Hirschman-Herfindahl Index (HHI) is a measure of the degree to which competitors have entered utility markets. It is determined by summing the squared market percentages for a particular rate class. For example, if the utility sells 75% of the natural gas in a particular class, marketer A sells 20%, and marketer B sells 5%, the HHI for that class is:

$$75^2 + 20^2 + 5^2 = 5,625 + 400 + 25 = 6,050$$

If the utility sells all the natural gas in a class, the HHI for that class is 100 squared, or 10,000.

Class (a)	Schedules (b)	Hirschman- Herfindahl Index (c)	Is the Utility the Provider with the Largest Market Share? (d)	
Residential	GS1, GF1, GF2	10,000	Yes	1
Small Commercial/Industrial Firm	CG1,FG1-FG3,NGV,I6M,NG1-NG3,AG1-AG3,	8,490	Yes	2
Large Industrial Fire	FG4-FG5, LVF, 800, AG4, GT3, TG4-TG8	2,564	No	3
Large Industrial Interruptible	IM1-IM5, IG3-IG6, 803-808, 902	2,074	No	4

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.

Location (a)	Customers End of Year (b)
Adams County	
Cities	
ADAMS	736
Total Cities:	736
Villages	
FRIENDSHIP	305
Total Villages:	305
Towns	
ADAMS	217
JACKSON	7
LINCOLN	15
NEW CHESTER	109
PRESTON	172
RICHFIELD	10
ROME	1,522
Total Towns:	2,052
Total Adams County:	3,093

Barron County	
Cities	
BARRON	1,118
CHETEK	914
CUMBERLAND	1,045
RICE LAKE	3,180
Total Cities:	6,257
Villages	
ALMENA	280
CAMERON	683
HAUGEN	113
NEW AUBURN	4
TURTLE LAKE	359
Total Villages:	1,439
Towns	
ALMENA	61
ARLAND	7
BARRON	78
CHETEK	339
CLINTON	2
CRYSTAL LAKE	38
CUMBERLAND	35
DOVRE	13
LAKELAND	3
MAPLE GROVE	3
MAPLE PLAIN	1
OAK GROVE	13

Barron County	
Towns	
PRAIRIE LAKE	286
RICE LAKE	786
STANLEY	472
SUMNER	2
TURTLE LAKE	11
Total Towns:	2,150
Total Barron County:	9,846

Brown County	
Villages	
PULASKI	1,197
Total Villages:	1,197
Towns	
HOLLAND	211
PITTSFIELD	16
Total Towns:	227
Total Brown County:	1,424

Burnett County	
Villages	
GRANTSBURG	516
SIREN	382
WEBSTER	285
Total Villages:	1,183
Towns	
DANIELS	62
DEWEY	28
GRANTSBURG	99
LA FOLLETTE	75
MEENON	132
OAKLAND	82
RUSK	8
SAND LAKE	29
SIREN	210
SWISS	6
WOOD RIVER	37
Total Towns:	768
Total Burnett County:	1,951

Calumet County	
Villages	
SHERWOOD	958
Total Villages:	958
Towns	
HARRISON	2,267

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)
Calumet County	
Towns	
WOODVILLE	68
Total Towns:	2,335
Total Calumet County:	3,293

Chippewa County	
Cities	
BLOOMER	1,179
CORNELL	489
STANLEY	781
Total Cities:	2,449
Villages	
BOYD	223
CADOTT	528
NEW AUBURN	161
Total Villages:	912
Towns	
ANSON	377
DELMAR	19
EDSON	1
ESTELLA	21
GOETZ	10
SIGEL	28
WOODMOHR	8
Total Towns:	464
Total Chippewa County:	3,825

Clark County	
Cities	
ABBOTSFORD	564
COLBY	408
GREENWOOD	388
LOYAL	480
NEILLSVILLE	936
OWEN	389
THORP	688
Total Cities:	3,853
Villages	
CURTISS	83
DORCHESTER	352
GRANTON	119
UNITY	62
WITHEE	207
Total Villages:	823

Clark County	
Towns	
COLBY	31
EATON	37
FREMONT	99
GRANT	32
GREEN GROVE	5
HIXON	18
HOARD	19
LOYAL	12
LYNN	33
MAYVILLE	38
PINE VALLEY	69
THORP	36
WESTON	51
WITHEE	31
YORK	8
Total Towns:	519
Total Clark County:	5,195

Columbia County	
Cities	
COLUMBUS	1,864
Total Cities:	1,864
Villages	
FALL RIVER	569
Total Villages:	569
Towns	
COLUMBUS	36
FOUNTAIN PRAIRIE	85
Total Towns:	121
Total Columbia County:	2,554

Dane County	
Cities	
SUN PRAIRIE	10,172
Total Cities:	10,172
Villages	
BELLEVILLE	707
MARSHALL	1,317
Total Villages:	2,024
Towns	
BRISTOL	939
BURKE	219
MEDINA	122
MONTROSE	75

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)
Dane County	
Towns	
SUN PRAIRIE	522
YORK	10
Total Towns:	1,887
Total Dane County:	14,083

Dodge County	
Cities	
COLUMBUS	1
HARTFORD	17
Total Cities:	18
Villages	
IRON RIDGE	380
NEOSHO	201
Total Villages:	581
Towns	
ASHIPPUN	476
ELBA	170
HERMAN	37
HUBBARD	69
LEBANON	297
PORTLAND	91
RUBICON	242
Total Towns:	1,382
Total Dodge County:	1,981

Dunn County	
Villages	
BOYCEVILLE	401
COLFAX	446
DOWNING	77
KNAPP	92
Total Villages:	1,016
Towns	
COLFAX	6
STANTON	5
TIFFANY	34
Total Towns:	45
Total Dunn County:	1,061

Eau Claire County	
Cities	
AUGUSTA	552
Total Cities:	552

Eau Claire County	
Towns	
BRIDGE CREEK	30
LUDINGTON	17
Total Towns:	47
Total Eau Claire County:	599

Florence County	
Towns	
AURORA	158
Total Towns:	158
Total Florence County:	158

Fond du Lac County	
Villages	
FAIRWATER	160
Total Villages:	160
Towns	
METOMEN	3
Total Towns:	3
Total Fond du Lac County:	163

Grant County	
Cities	
BOSCOBEL	1,116
CUBA CITY	725
FENNIMORE	969
LANCASTER	1,422
Total Cities:	4,232
Villages	
BLOOMINGTON	162
BLUE RIVER	165
DICKEYVILLE	260
MOUNT HOPE	53
MUSCODA	527
PATCH GROVE	43
Total Villages:	1,210
Towns	
BOSCOBEL	128
FENNIMORE	36
HAZEL GREEN	43
JAMESTOWN	412
LIBERTY	67
MARION	37
MOUNT HOPE	7
MUSCODA	119

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)
Grant County	
Towns	
NORTH LANCASTER	6
PARIS	31
PATCH GROVE	11
SMELSER	63
SOUTH LANCASTER	124
WATERSTOWN	1
Total Towns:	1,085
Total Grant County:	6,527

Green County	
Cities	
BRODHEAD	1,122
MONROE	4,228
Total Cities:	5,350
Villages	
ALBANY	426
BELLEVILLE	164
BROWNTOWN	95
MONTICELLO	393
NEW GLARUS	842
Total Villages:	1,920
Towns	
ALBANY	54
CADIZ	10
CLARNO	47
DECATUR	307
EXETER	324
MONROE	126
MOUNT PLEASANT	3
NEW GLARUS	51
SPRING GROVE	8
WASHINGTON	5
Total Towns:	935
Total Green County:	8,205

Green Lake County	
Cities	
MARKESAN	616
PRINCETON	662
Total Cities:	1,278
Villages	
KINGSTON	142
MARQUETTE	139
Total Villages:	281

Green Lake County	
Towns	
BROOKLYN	111
GREEN LAKE	681
KINGSTON	117
MACKFORD	45
MANCHESTER	76
MARQUETTE	39
PRINCETON	676
Total Towns:	1,745
Total Green Lake County:	3,304

Iowa County	
Villages	
AVOCA	227
MUSCODA	36
Total Villages:	263
Towns	
PULASKI	19
Total Towns:	19
Total Iowa County:	282

Jackson County	
Cities	
BLACK RIVER FALLS	1,335
Total Cities:	1,335
Villages	
ALMA CENTER	190
HIXTON	184
MERRILLAN	189
TAYLOR	190
Total Villages:	753
Towns	
ADAMS	73
ALBION	97
ALMA	48
BROCKWAY	548
CURRAN	7
HIXTON	10
SPRINGFIELD	6
Total Towns:	789
Total Jackson County:	2,877

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)
Jefferson County	
Cities	
WATERLOO	1,212
Total Cities:	1,212
Towns	
WATERLOO	2
Total Towns:	2
Total Jefferson County:	1,214
La Crosse County	
Villages	
BANGOR	460
ROCKLAND	180
WEST SALEM	1,664
Total Villages:	2,304
Towns	
BANGOR	30
BURNS	52
HAMILTON	230
Total Towns:	312
Total La Crosse County:	2,616
Lafayette County	
Cities	
CUBA CITY	87
SHULLSBURG	538
Total Cities:	625
Villages	
SOUTH WAYNE	146
Total Villages:	146
Towns	
BENTON	21
ELK GROVE	6
SHULLSBURG	13
WAYNE	7
WIOTA	16
Total Towns:	63
Total Lafayette County:	834
Marathon County	
Cities	
ABBOTSFORD	226
COLBY	222
MARSHFIELD	227
Total Cities:	675

Location (a)	Customers End of Year (b)
Marathon County	
Villages	
ATHENS	429
SPENCER	675
STRATFORD	531
UNITY	83
Total Villages:	1,718
Towns	
BRIGHTON	24
DAY	98
EAU PLEINE	13
HOLTON	5
HULL	8
JOHNSON	46
MCMILLAN	431
RIETBROCK	16
SPENCER	138
Total Towns:	779
Total Marathon County:	3,172
Marinette County	
Cities	
NIAGARA	586
Total Cities:	586
Towns	
NIAGARA	78
Total Towns:	78
Total Marinette County:	664
Marquette County	
Cities	
MONTELLO	756
Total Cities:	756
Villages	
ENDEAVOR	188
NESHKORO	218
OXFORD	247
WESTFIELD	570
Total Villages:	1,223
Towns	
HARRIS	112
MECAN	4
MONTELLO	378
MOUNDVILLE	43
NESHKORO	160
NEWTON	8

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.

Location (a)	Customers End of Year (b)	Monroe County Towns	Customers End of Year (b)
Marquette County			
Towns			
OXFORD	140	LA GRANGE	317
PACKWAUKEE	554	LEON	83
SHIELDS	18	PORTLAND	1
SPRINGFIELD	72	SPARTA	431
WESTFIELD	200	TOMAH	151
Total Towns:	1,689	Total Towns:	1,313
Total Marquette County:	3,668	Total Monroe County:	8,683
Milwaukee County			
Cities			
GLENDALE	5,634	GILLETT	631
GREENFIELD	1,846	OCONTO	1,082
MILWAUKEE	210,728	Total Cities:	1,713
SAINT FRANCIS	1,045	Villages	
WAUWATOSA	19,059	PULASKI	2
WEST ALLIS	24,816	Total Villages:	2
Total Cities:	263,128	Towns	
Villages		CHASE	557
BAYSIDE	1,622	GILLETT	62
BROWN DEER	4,222	MORGAN	46
FOX POINT	2,606	OCONTO	30
RIVER HILLS	651	STILES	46
SHOREWOOD	5,427	UNDERHILL	53
WEST MILWAUKEE	1,793	Total Towns:	794
WHITEFISH BAY	5,346	Total Oconto County:	2,509
Total Villages:	21,667		
Total Milwaukee County:	284,795	Outagamie County	
Monroe County		Cities	
Cities		APPLETON	188
SPARTA	3,411	KAUKAUNA	5,060
TOMAH	3,486	NEW LONDON	589
Total Cities:	6,897	SEYMOUR	1,269
Villages		Total Cities:	7,106
CASHTON	416	Villages	
WYEVILLE	57	BEAR CREEK	156
Total Villages:	473	BLACK CREEK	450
Towns		COMBINED LOCKS	1,212
ADRIAN	6	HORTONVILLE	990
ANGELO	137	KIMBERLY	2,834
BYRON	86	LITTLE CHUTE	3,593
GREENFIELD	98	SHIOCTON	330
JEFFERSON	2	Total Villages:	9,565
LA FAYETTE	1	Towns	
		BLACK CREEK	58
		BOVINA	72
		BUCHANAN	2,164

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)	Location (a)	Customers End of Year (b)
Outagamie County		Pepin County	
Towns		Cities	
DALE	476	DURAND	602
DEER CREEK	3	Total Cities:	602
ELLINGTON	174	Towns	
FREEDOM	1,160	DURAND	79
GRAND CHUTE	63	WATERVILLE	107
GREENVILLE	35	WAUBEEK	58
HORTONIA	134	Total Towns:	244
KAUKAUNA	118	Total Pepin County:	846
MAPLE CREEK	2	Pierce County	
ONEIDA	21	Villages	
OSBORN	98	BAY CITY	225
SEYMOUR	95	ELLSWORTH	1,229
VANDENBROEK	323	ELMWOOD	331
Total Towns:	4,996	PLUM CITY	192
Total Outagamie County:	21,667	SPRING VALLEY	497
Ozaukee County		Total Villages:	2,474
Cities		Towns	
CEDARBURG	4,149	ELLSWORTH	37
MEQUON	8,846	GILMAN	35
PORT WASHINGTON	4,189	HARTLAND	2
Total Cities:	17,184	ISABELLE	57
Villages		SPRING LAKE	16
BAYSIDE	43	TRENTON	436
BELGIUM	776	UNION	2
FREDONIA	739	Total Towns:	585
GRAFTON	4,240	Total Pierce County:	3,059
NEWBURG	31	Polk County	
SAUKVILLE	1,609	Cities	
THIENSVILLE	1,308	AMERY	1,136
Total Villages:	8,746	SAINT CROIX FALLS	861
Towns		Total Cities:	1,997
BELGIUM	329	Villages	
CEDARBURG	1,987	BALSAM LAKE	636
FREDONIA	406	CENTURIA	297
GRAFTON	1,440	CLAYTON	182
PORT WASHINGTON	397	CLEAR LAKE	434
SAUKVILLE	265	DRESSER	351
Total Towns:	4,824	FREDERIC	473
Total Ozaukee County:	30,754	LUCK	467
		MILLTOWN	385
		OSCEOLA	837

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
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Location (a)	Customers End of Year (b)
Polk County	
Villages	
TURTLE LAKE	51
Total Villages:	4,113
Towns	
APPLE RIVER	10
BALSAM LAKE	122
BEAVER	68
BLACK BROOK	79
CLAYTON	90
CLEAR LAKE	4
FARMINGTON	5
GARFIELD	221
LINCOLN	534
LUCK	50
MILLTOWN	93
OSCEOLA	193
SAINT CROIX FALLS	23
WEST SWEDEN	24
Total Towns:	1,516
Total Polk County:	7,626

Portage County	
Towns	
EAU PLEINE	1
GRANT	259
Total Towns:	260
Total Portage County:	260

Richland County	
Cities	
RICHLAND CENTER	2,030
Total Cities:	2,030
Towns	
BUENA VISTA	209
ITHACA	37
ORION	11
RICHLAND	233
Total Towns:	490
Total Richland County:	2,520

Rock County	
Cities	
EVANSVILLE	1,912
Total Cities:	1,912

Location (a)	Customers End of Year (b)
Rock County	
Towns	
MAGNOLIA	2
SPRING VALLEY	14
UNION	421
Total Towns:	437
Total Rock County:	2,349

Rusk County	
Cities	
LADYSMITH	1,463
Total Cities:	1,463
Villages	
BRUCE	363
WEYERHAEUSER	143
Total Villages:	506
Towns	
FLAMBEAU	105
GRANT	91
GROW	6
STRICKLAND	1
STUBBS	17
THORNAPPLE	43
Total Towns:	263
Total Rusk County:	2,232

Saint Croix County	
Cities	
GLENWOOD CITY	394
Total Cities:	394
Villages	
BALDWIN	1,388
DEER PARK	80
SPRING VALLEY	2
STAR PRAIRIE	223
WILSON	50
WOODVILLE	442
Total Villages:	2,185
Towns	
BALDWIN	41
CADY	47
CYLON	8
EAU GALLE	10
GLENWOOD	9
HAMMOND	276
PLEASANT VALLEY	1

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.

Location (a)	Customers End of Year (b)
Washburn County	
Cities	
SPOONER	1,069
Total Cities:	1,724
Towns	
BASHAW	50
BASS LAKE	18
BEAVER BROOK	114
EVERGREEN	110
SPOONER	95
SPRINGBROOK	79
STINNETT	15
TREGO	97
Total Towns:	578
Total Washburn County:	2,302

Washington County	
Cities	
HARTFORD	4,938
WEST BEND	10,261
Total Cities:	15,199
Villages	
GERMANTOWN	7,083
JACKSON	2,630
KEWASKUM	1,340
NEWBURG	375
SLINGER	1,748
Total Villages:	13,176
Towns	
ADDISON	1,008
BARTON	726
ERIN	791
FARMINGTON	650
GERMANTOWN	117
HARTFORD	1,286
JACKSON	1,108
KEWASKUM	69
POLK	1,250
RICHFIELD	4,002
TRENTON	1,238
WAYNE	201
WEST BEND	1,820
Total Towns:	14,266
Total Washington County:	42,641

Location (a)	Customers End of Year (b)
Waukesha County	
Cities	
BROOKFIELD	8,382
Total Cities:	8,382
Villages	
BUTLER	972
ELM GROVE	2,435
LANNON	515
MENOMONEE FALLS	14,309
MERTON	86
SUSSEX	3,603
Total Villages:	21,920
Towns	
LISBON	3,515
Total Towns:	3,515
Total Waukesha County:	33,817

Waupaca County	
Cities	
CLINTONVILLE	1,835
NEW LONDON	1,978
WAUPACA	2,263
WEYAUWEGA	713
Total Cities:	6,789
Villages	
EMBARRASS	151
FREMONT	288
Total Villages:	439
Towns	
BEAR CREEK	22
CALEDONIA	137
DAYTON	786
FARMINGTON	1,179
FREMONT	95
LARRABEE	121
LEBANON	50
LIND	259
MATTESON	24
MUKWA	596
ROYALTON	24
WAUPACA	89
WEYAUWEGA	44
Total Towns:	3,426
Total Waupaca County:	10,654

GAS CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
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Location (a)	Customers End of Year (b)	Wood County Villages	Customers End of Year (b)
Waushara County			
Cities			
WAUTOMA	866	AUBURNDALE	247
Total Cities:	866	BIRON	334
Villages		HEWITT	243
COLOMA	192	MILLADORE	105
HANCOCK	192	PORT EDWARDS	687
LOHRVILLE	184	RUDOLPH	185
PLAINFIELD	333	VESPER	225
REDGRANITE	461	Total Villages:	2,134
WILD ROSE	346	Towns	
Total Villages:	1,708	ARPIN	28
Towns		AUBURNDALE	23
COLOMA	181	CAMERON	82
DAKOTA	308	DEXTER	1
HANCOCK	98	GRAND RAPIDS	2,812
LEON	200	HANSEN	2
MARION	817	LINCOLN	112
MOUNT MORRIS	92	MARSHFIELD	54
OASIS	4	MILLADORE	35
PLAINFIELD	31	PORT EDWARDS	137
POY SIPPI	141	RICHFIELD	33
RICHFORD	22	ROCK	8
ROSE	7	RUDOLPH	57
SAXEVILLE	101	SARATOGA	1,118
SPRINGWATER	535	SENECA	100
WARREN	68	SHERRY	42
WAUTOMA	258	SIGEL	45
Total Towns:	2,863	WOOD	19
Total Waushara County:	5,437	Total Towns:	4,708
		Total Wood County:	22,139
		Total Company:	588,769
Winnebago County			
Towns			
WOLF RIVER	27		
Total Towns:	27		
Total Winnebago County:	27		
Wood County			
Cities			
MARSHFIELD	6,954		
NEKOOSA	960		
PITTSVILLE	256		
WISCONSIN RAPIDS	7,127		
Total Cities:	15,297		
Villages			
ARPIN	108		

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WATER OPERATING REVENUES & EXPENSES

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues			
Sales of Water			
Sales of Water (460-466)	2,479,077	2,272,172	1
Total Sales of Water	2,479,077	2,272,172	
Other Operating Revenues			
Forfeited Discounts (470)	3,740	(1,884)	2
Miscellaneous Service Revenues (471)	64	0	3
Rents from Water Property (472)	0	0	4
Interdepartmental Rents (473)	0	0	5
Other Water Revenues (474)	14,223	0	6
Total Other Operating Revenues	18,027	(1,884)	
Total Operating Revenues	2,497,104	2,270,288	
Operation and Maintenance Expenses			
Source of Supply Expenses (600-617)	360,729	335,385	7
Pumping Expenses (620-633)	28,564	27,865	8
Water Treatment Expense (640-652)	13,794	14,281	9
Transmission and Distribution Expenses (660-678)	114,230	184,009	10
Customer Accounts Expenses (901-905)	62,937	68,129	11
Customer Service Expenses (907)	5,179	10,846	12
Sales Promotion Expenses (910)	0	0	13
Administrative and General Expenses (920-935)	485,291	461,899	14
Total Operation and Maintenance Expenses	1,070,724	1,102,414	
Other Operating Expenses			
Depreciation Expense (403)	251,840	243,445	15
Amortization Expense (404-407)	4,500	4,000	16
Taxes Other Than Income Taxes (408.1)	23,717	29,708	17
Income Taxes (409.1)	556,256	450,208	18
Provision for Deferred Income Taxes (410.1, 411.1)	497	(1,199)	19
Investment Tax Credits Adjustment (411.4)	0	0	20
Total Other Operating Expenses	836,810	726,162	
Total Operating Expenses	1,907,534	1,828,576	
NET OPERATING INCOME	589,570	441,712	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Account 460, Unmetered Sales to General Customers - Gallons of Water Sold should not include in any way quantity of water, i.e. metered, or measured by tank or pool volume. The quantity should be estimated based on size of pipe, flow, foot of frontage, etc. Bulk water sales should be Account 460 if the quantity is estimated and should be Account 461 if metered or measured by volume. Water related to construction should be a measured sale of water (either Account 461 or Account 464).
5. Other accounts: see application Help files for details.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential	0	0		1
Commercial	0	0	0	2
Industrial	0	0	0	3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	2,753	222,948	1,447,024	4
Commercial	170	107,486	489,007	5
Industrial	0	0	0	6
Total Metered Sales to General Customers (461)	2,923	330,434	1,936,031	
Private Fire Protection Service (462)	17		36,198	7
Public Fire Protection Service (463)	2,753		506,848	8
Other Sales to Public Authorities (464)				9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	5,693	330,434	2,479,077	

OTHER OPERATING REVENUES (WATER)

1. Report succinct statement of the revenues in each account and show separate totals for each account.
2. Report name of lessee and description of property for major items of rent revenue. Group other rents less than \$25,000 by classes.
3. For sales of water and water power, report name of purchaser, purpose for which water used and the development supplying water.
4. Report basis of charges for any interdepartmental rents.
5. Report details of major items in Acct. 456. Group items less than \$25,000.

Particulars (a)	Amount (b)	
Forfeited Discounts (470):		
FORFEITED DISCOUNTS	3,740	1
Total Forfeited Discounts (470)	3,740	
Miscellaneous Service Revenues (471):		
MISCELLANEOUS SERVICE REVENUE	64	2
Total Miscellaneous Service Revenues (471)	64	
Rents from Water Property (472):		
NONE		3
Total Rents from Water Property (472)	0	
Interdepartmental Rents (473):		
NONE		4
Total Interdepartmental Rents (473)	0	
Other Water Revenues (474):		
OTHER WATER REVENUES	14,223	5
Total Other Water Revenues (474)	14,223	

WATER EXPENSES

Report all amounts on the basis and in conformity with the uniform system of accounts and accounting directives prescribed by this commission. Allocate "Total Operations" amounts jurisdictionally between Wisconsin (PSCW) jurisdiction and all other jurisdiction.

Particulars (a)	Wisconsin Jurisdictional Operations		Other Jurisdictional Operations		Total Operations (f)	
	Labor (b)	Other (c)	Labor (d)	Other (e)		
Operation and Maintenance Expenses						
Source of Supply Expenses (600-617)	12,314	348,415			360,729	1
Pumping Expenses (620-633)	18,603	9,961			28,564	2
Water Treatment Expense (640-652)	2,029	11,765			13,794	3
Transmission and Distribution Expenses (660-678)	73,744	40,486			114,230	4
Customer Accounts Expenses (901-905)	57,911	5,026			62,937	5
Customer Service Expenses (907)	655	4,524			5,179	6
Sales Promotion Expenses (910)	0	0			0	7
Administrative and General Expenses (920-935)	145,450	339,841			485,291	8
Total Operation and Maintenance Expenses	310,706	760,018	0	0	1,070,724	
Other Operating Expenses						
Depreciation Expense (403)	0	251,840			251,840	9
Amortization Expense (404-407)	0	4,500			4,500	10
Taxes Other Than Income Taxes (408.1)	0	23,717			23,717	11
Income Taxes (409.1)	0	556,256			556,256	12
Provision for Deferred Income Taxes (410.1, 411.1)	0	497			497	13
Investment Tax Credits Adjustment (411.4)	0	0			0	14
Total Other Operating Expenses	0	836,810	0	0	836,810	
Total Operating Expenses	310,706	1,596,828	0	0	1,907,534	

WATER OPERATION & MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
SOURCE OF SUPPLY EXPENSES					
Operation Supervision and Engineering (600)		0	0	0	1
Operation Labor and Expenses (601)	1,781	310	2,091	7,779	2
Purchased Water (602)		323,890	323,890	298,533	3
Miscellaneous Expenses (603)	10,513	24,214	34,727	29,073	4
Rents (604)		0	0	0	5
Maintenance Supervision and Engineering (610)		0	0	0	6
Maintenance of Structures and Improvements (611)		0	0	0	7
Maintenance of Collecting and Impounding Reservoirs (612)		0	0	0	8
Maintenance of Lake, River and Other Intakes (613)		0	0	0	9
Maintenance of Wells and Springs (614)	20	1	21	0	10
Maintenance of Infiltration Galleries and Tunnels (615)		0	0	0	11
Maintenance of Supply Mains (616)		0	0	0	12
Maintenance of Miscellaneous Water Source Plant (617)		0	0	0	13
Total Source of Supply Expenses	12,314	348,415	360,729	335,385	
PUMPING EXPENSES					
Operation Supervision and Engineering (620)		0	0	0	14
Fuel for Power Production (621)		0	0	0	15
Power Production Labor and Expenses (622)		0	0	0	16
Fuel or Power Purchased for Pumping (623)		0	0	0	17
Pumping Labor and Expenses (624)	18,389	9,724	28,113	27,628	18
Expenses Transferred--Credit (625)		0	0	0	19
Miscellaneous Expenses (626)		0	0	0	20
Rents (627)		0	0	0	21
Maintenance Supervision and Engineering (630)		0	0	0	22
Maintenance of Structures and Improvements (631)		0	0	0	23
Maintenance of Power Production Equipment (632)		0	0	0	24
Maintenance of Pumping Equipment (633)	214	237	451	237	25
Total Pumping Expenses	18,603	9,961	28,564	27,865	
WATER TREATMENT EXPENSES					
Operation Supervision and Engineering (640)		0	0	0	26
Chemicals (641)		186	186	0	27
Operation Labor and Expenses (642)		0	0	0	28
Miscellaneous Expenses (643)	2,029	11,579	13,608	14,281	29
Rents (644)		0	0	0	30
Maintenance Supervision and Engineering (650)		0	0	0	31
Maintenance of Structures and Improvements (651)		0	0	0	32
Maintenance of Water Treatment Equipment (652)		0	0	0	33
Total Water Treatment Expenses	2,029	11,765	13,794	14,281	

WATER OPERATION & MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
TRANSMISSION AND DISTRIBUTION EXPENSES					
Operation Supervision and Engineering (660)	2,542	384	2,926	11,899	34
Storage Facilities Expenses (661)		0	0	(9,377)	35
Transmission and Distribution Lines Expenses (662)	20,293	16,784	37,077	36,550	36
Meter Expenses (663)	21,450	4,559	26,009	39,058	37
Customer Installations Expenses (664)		0	0	0	38
Miscellaneous Expenses (665)	1,365	1,793	3,158	513	39
Rents (666)		5,500	5,500	2,580	40
Maintenance Supervision and Engineering (670)		0	0	203	41
Maintenance of Structures and Improvements (671)		0	0	0	42
Maintenance of Distribution Reservoirs and Standpipes (672)	504	100	604	0	43
Maintenance of Transmission and Distribution Mains (673)	23,320	7,984	31,304	87,067	44
Maintenance of Fire Mains (674)		0	0	0	45
Maintenance of Services (675)		0	0	0	46
Maintenance of Meters (676)		0	0	0	47
Maintenance of Hydrants (677)	4,270	3,382	7,652	15,516	48
Maintenance of Miscellaneous Plant (678)		0	0	0	49
Total Transmission and Distribution Expenses	73,744	40,486	114,230	184,009	
CUSTOMER ACCOUNTS EXPENSES					
Supervision (901)		0	0	0	50
Meter Reading Labor (902)		1,686	1,686	1,510	51
Customer Records and Collection Expenses (903)	57,911	1,050	58,961	58,029	52
Uncollectible Accounts (904)		0	0	0	53
Miscellaneous Customer Accounts Expenses (905)		2,290	2,290	8,590	54
Total Customer Accounts Expenses	57,911	5,026	62,937	68,129	
CUSTOMER SERVICE EXPENSES					
Customer Service and Information Expenses (907)	655	4,524	5,179	10,846	55
Total Customer Service Expenses	655	4,524	5,179	10,846	
SALES PROMOTION EXPENSES					
Sales Promotion Expenses (910)		0	0	0	56
Total Sales Promotion Expenses	0	0	0	0	
ADMINISTRATIVE AND GENERAL EXPENSES					
Administrative and General Salaries (920)	145,450	120,521	265,971	245,316	57
Office Supplies and Expenses (921)		78,574	78,574	55,695	58
Administrative Expenses Transferred--Credit (922)		6,997	6,997	5,737	59
Outside Services Employed (923)		0	0	0	60
Property Insurance (924)		8,740	8,740	5,248	61
Injuries and Damages (925)		2,026	2,026	4,279	62

WATER OPERATION & MAINTENANCE EXPENSES

Particulars (a)	Labor Expense (b)	Other Expense (c)	Total Expense (d)	Last Year Total (e)	
ADMINISTRATIVE AND GENERAL EXPENSES					
Employee Pensions and Benefits (926)		114,416	114,416	146,192	63
Regulatory Commission Expenses (928)		17,796	17,796	5,881	64
Duplicate Charges--Credit (929)		0	0	0	65
Institutional or Goodwill Advertising Expenses (930.1)		390	390	220	66
Miscellaneous General Expenses (930.2)		4,375	4,375	4,805	67
Research and Development Expenses (930.3)		0	0	0	68
Rents (931)		0	0	0	69
Maintenance of General Plant (935)		0	0	0	70
Total Administrative and General Expenses	145,450	339,841	485,291	461,899	
 Total Operation and Maintenance Expenses	 310,706	 760,018	 1,070,724	 1,102,414	

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WATER UTILITY PLANT IN SERVICE

1. Include in column (e) entries reclassifying property from one account or utility service to another, etc..
2. Corrections of entries of the current or immediately preceding year should be recorded in columns (c) or (d), accordingly, as they are corrections of additions or retirements.

Account (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	
INTANGIBLE PLANT				
Organization (301)	786			1
Franchises and Consents (302)	0			2
Miscellaneous Intangible Plant (303)	0			3
Total Intangible Plant	786	0	0	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)	223			4
Structures and Improvements (311)	0			5
Collecting and Impounding Reservoirs (312)	0			6
Lake, River and Other Intakes (313)	0			7
Wells and Springs (314)	154,535			8
Infiltration Galleries and Tunnels (315)	0			9
Supply Mains (316)	0			10
Other Water Source Plant (317)	0			11
Total Source of Supply Plant	154,758	0	0	
PUMPING PLANT				
Land and Land Rights (320)	10			12
Structures and Improvements (321)	21,894		2	13
Boiler Plant Equipment (322)	0			14
Other Power Production Equipment (323)	0			15
Steam Pumping Equipment (324)	0			16
Electric Pumping Equipment (325)	209,394	3,427	1 *	17
Diesel Pumping Equipment (326)	0			18
Hydraulic Pumping Equipment (327)	0			19
Other Pumping Equipment (328)	15,490			20
Total Pumping Plant	246,788	3,427	3	
WATER TREATMENT PLANT				
Land and Land Rights (330)	0			21
Structures and Improvements (331)	0			22
Water Treatment Equipment (332)	0			23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)	0			24
Structures and Improvements (341)	0			25
Distribution Reservoirs and Standpipes (342)	43,472			26
Transmission and Distribution Mains (343)	10,924,577	1,164,207		* 27
Fire Mains (344)	0			28
Services (345)	1,224,344	129,151	548	29

WATER UTILITY PLANT IN SERVICE (cont.)

Account (a)	Adjustments Increase or (Decrease) (e)	Transfers (f)	Balance End of Year (g)	
Organization (301)			786	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
	0	0	786	
Land and Land Rights (310)			223	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			154,535	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
	0	0	154,758	
Land and Land Rights (320)			10	12
Structures and Improvements (321)			21,892	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)	(1)		212,819	* 17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			15,490	20
	(1)	0	250,211	
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
	0	0	0	
Land and Land Rights (340)			0	24
Structures and Improvements (341)			0	25
Distribution Reservoirs and Standpipes (342)			43,472	26
Transmission and Distribution Mains (343)	2		12,088,786	* 27
Fire Mains (344)			0	28
Services (345)			1,352,947	29

WATER UTILITY PLANT IN SERVICE

1. Include in column (e) entries reclassifying property from one account or utility service to another, etc..
2. Corrections of entries of the current or immediately preceding year should be recorded in columns (c) or (d), accordingly, as they are corrections of additions or retirements.

Account (a)	Balance First of Year (b)	Additions During Year (c)	Retirements During Year (d)	
TRANSMISSION AND DISTRIBUTION PLANT				
Meters (346)	863,257	18,337		30
Meter Installations (347)	0			31
Hydrants (348)	953,083	133,061	9,477	32
Other Transmission and Distribution Plant (349)	0			33
Total Transmission and Distribution Plant	14,008,733	1,444,756	10,025	
GENERAL PLANT				
Land and Land Rights (389)	0			34
Structures and Improvements (390)	0			35
Office Furniture and Equipment (391)	59,483			36
Transportation Equipment (392)	0			37
Stores Equipment (393)	0			38
Tools, Shop and Garage Equipment (394)	0			39
Laboratory Equipment (395)	0			40
Power Operated Equipment (396)	0			41
Communication Equipment (397)	225,295	8,988		42
Miscellaneous Equipment (398)	0			43
Other Tangible Property (399)	0			44
Total General Plant	284,778	8,988	0	
Total utility plant in service	14,695,843	1,457,171	10,028	
Common Utility Plant Allocated to Water Department (300)	0			45
Construction Completed Not Classified (106)	0			46
Total utility plant in service	14,695,843	1,457,171	10,028	

WATER UTILITY PLANT IN SERVICE (cont.)

Account (a)	Adjustments Increase or (Decrease) (e)	Transfers (f)	Balance End of Year (g)	
Meters (346)			881,594	30
Meter Installations (347)			0	31
Hydrants (348)			1,076,667	32
Other Transmission and Distribution Plant (349)			0	33
	2	0	15,443,466	
Land and Land Rights (389)			0	34
Structures and Improvements (390)			0	35
Office Furniture and Equipment (391)			59,483	36
Transportation Equipment (392)			0	37
Stores Equipment (393)			0	38
Tools, Shop and Garage Equipment (394)			0	39
Laboratory Equipment (395)			0	40
Power Operated Equipment (396)			0	41
Communication Equipment (397)			234,283	42
Miscellaneous Equipment (398)			0	43
Other Tangible Property (399)			0	44
	0	0	293,766	
	1	0	16,142,987	
Common Utility Plant Allocated to Water Department (300)			0	45
Construction Completed Not Classified (106)			0	46
		0		
	1	0	16,142,987	

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary Plant Accounts (a)	Balance First of Year (b)	Straight Line Rate % Used (c)	Accruals During Year	
			Straight Line Amount (d)	Additional Amount (e)
INTANGIBLE PLANT				
Organization (301)	786			1
Franchises and Consents (302)	0			2
Miscellaneous Intangible Plant (303)	0			3
Total Intangible Plant	786		0	0
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)	0			4
Structures and Improvements (311)	0			5
Collecting and Impounding Reservoirs (312)	0			6
Lake, River and Other Intakes (313)	0			7
Wells and Springs (314)	(59,070)	2.94%	4,545	8
Infiltration Galleries and Tunnels (315)	0			9
Supply Mains (316)	0			10
Other Water Source Plant (317)	0			11
Total Source of Supply Plant	(59,070)		4,545	0
PUMPING PLANT				
Land and Land Rights (320)	0			12
Structures and Improvements (321)	17,157	2.44%	534	13
Boiler Plant Equipment (322)	0			14
Other Power Production Equipment (323)	0			15
Steam Pumping Equipment (324)	0			16
Electric Pumping Equipment (325)	177,045	4.42%	9,316	17
Diesel Pumping Equipment (326)	0			18
Hydraulic Pumping Equipment (327)	0			19
Other Pumping Equipment (328)	11,841	4.29%	665	20
Total Pumping Plant	206,043		10,515	0
WATER TREATMENT PLANT				
Land and Land Rights (330)	0			21
Structures and Improvements (331)	0			22
Water Treatment Equipment (332)	(10,075)	6.00%		23
Total Water Treatment Plant	(10,075)		0	0
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)	0			24
Structures and Improvements (341)	0			25
Distribution Reservoirs and Standpipes (342)	(9,991)	1.87%	813	26
Transmission and Distribution Mains (343)	557,772	0.93%	106,753	27
Fire Mains (344)	0			28
Services (345)	197,629	2.09%	25,963	29

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (a)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
301					786	1
302					0	2
303					0	3
	0	0	0	0	786	
310					0	4
311					0	5
312					0	6
313					0	7
314					(54,525)	8
315					0	9
316					0	10
317					0	11
	0	0	0	0	(54,525)	
320					0	12
321	2	8,791			8,898	13
322					0	14
323					0	15
324					0	16
325	1	11,081			175,279	17
326					0	18
327					0	19
328					12,506	20
	3	19,872	0	0	196,683	
330					0	21
331					0	22
332					(10,075)	23
	0	0	0	0	(10,075)	
340					0	24
341					0	25
342		8,791			(17,969)	26
343					664,525	27
344					0	28
345	548				223,044	29

ACCUMULATED PROVISION FOR DEPRECIATION - WATER

Report in column (e) additional depreciation expense authorized by Commission to be charged where tax depreciation allowances exceed book amounts.

Primary Plant Accounts (a)	Balance First of Year (b)	Straight Line Rate % Used (c)	Accruals During Year	
			Straight Line Amount (d)	Additional Amount (e)
TRANSMISSION AND DISTRIBUTION PLANT				
Meters (346)	187,687	5.03%	43,910	30
Meter Installations (347)	0			31
Hydrants (348)	87,668	1.59%	16,526	32
Other Transmission and Distribution Plant (349)	0			33
Total Transmission and Distribution Plant	1,020,765		193,965	0
GENERAL PLANT				
Land and Land Rights (389)	0			34
Structures and Improvements (390)	0			35
Office Furniture and Equipment (391)	19,827	33.33%	19,828	36
Transportation Equipment (392)	0			37
Stores Equipment (393)	0			38
Tools, Shop and Garage Equipment (394)	0			39
Laboratory Equipment (395)	0			40
Power Operated Equipment (396)	0			41
Communication Equipment (397)	87,203	10.00%	22,987	42
Miscellaneous Equipment (398)	0			43
Other Tangible Property (399)	0			44
Retirement Work in Progress	0			45
Total General Plant	107,030		42,815	0
Common Utility Plant Allocated to Water Department (300)	0			46
Construction Completed Not Classified (106)	0			47
Total accum. prov. for depreciation	1,265,479		251,840	0

ACCUMULATED PROVISION FOR DEPRECIATION - WATER (cont.)

Account (a)	Book Cost of Plant Retired (f)	Cost of Removal (g)	Salvage (h)	Adjustments Increase or (Decrease) (i)	Balance End of Year (j)	
346					231,597	30
347					0	31
348	9,477				94,717	32
349					0	33
	10,025	8,791	0	0	1,195,914	
389					0	34
390					0	35
391					39,655	36
392					0	37
393					0	38
394					0	39
395					0	40
396					0	41
397					110,190	42
398					0	43
399					0	44
RWIP					0	45
	0	0	0	0	149,845	
300					0	46
106					0	47
	10,028	28,663	0	0	1,478,628	

SOURCES OF WATER SUPPLY - STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January	23,627			23,627	1
February	22,084			22,084	2
March	26,767			26,767	3
April	25,270			25,270	4
May	31,359			31,359	5
June	42,019			42,019	6
July	58,980			58,980	7
August	49,124			49,124	8
September	33,267			33,267	9
October	28,809			28,809	10
November	25,665			25,665	11
December	26,666			26,666	12
Total annual pumpage	393,637	0	0	393,637	
Less: Water sold				330,434	13
Volume pumped but not sold				63,203	14
Volume sold as a percent of volume pumped				84%	15
Volume used for water production, water quality and system maintenance				14,754	16
Volume related to equipment/system malfunction					17
Non-utility volume NOT included in water sales					18
Total volume not sold but accounted for				14,754	19
Volume pumped but unaccounted for				48,449	20
Percent of water lost				12%	21
If more than 25%, indicate causes:					22
If more than 25%, state what action has been taken to reduce water loss:					23
Maximum gallons pumped by all methods in any one day during reporting year (000 gal.)				2,543	24
Date of maximum:	7/17/2006				25
Cause of maximum:					26
Peak irrigation demand on the system					
Minimum gallons pumped by all methods in any one day during reporting year (000 gal.)				723	27
Date of minimum:	1/1/2006				28
Total KWH used for pumping for the year				118,916	29
If water is purchased:	Vendor Name:	MILWAUKEE WATER WORKS, NORTH SHORE WATER COMMISSION			30
	Point of Delivery:	76TH & COUNTY LINE RD, DEAN & GREENVALE, PT WASH&BROWN DEER			31
					32

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
YVONNE VDP #4	AD933	300	12	150,000	No	1
DEER TRAIL VDP #5	AH722	575	8	360,000	No	2
LAC DU COUR WELL #2	BG632	450	12	280,000	No	3
JONQUIL VDP #6	BG637	350	12	70,000	No	4
FAIRY CHASM WELL	BO540	345	12	432,000	No	5
WAVERLY WELL	BO541	300	12	432,000	No	6
RIVER RD VDP #3	FX313	300	8	216,000	No	7
WHITMAN WELL #1	GE931	400	10	216,000	No	8

PUMPING & POWER EQUIPMENT

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	CONCORD RESERVOIR #1	CONCORD RESERVOIR #2	FAIRY CHASM WELL	1
Location	CONCORD RESERVOIR	CONCORD RESERVOIR	NORTH SHORE EAST	2
Purpose	B	B	S	3
Destination	D	D	D	4
Pump Manufacturer	LAYNE	LAYNE	GOULDS	5
Year Installed	1979	1979	2003	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	350	350	500	8
Pump Motor or Standby Engine Mfr	WESTINGHOUSE	WESTINGHOUSE	US ELECTRIC MOTORS	10
Year Installed	1979	1979	2003	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	20	20	50	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	UON #3 LAC DU COUR RIVER RD	MEQUON #4 GRASSLYN	MEQUON #5B WHITMAN	14
Location	C-MEQUON	C-MEQUON	C-MEQUON	15
Purpose	S	S	B	16
Destination	D	D	D	17
Pump Manufacturer	AMERICAN TURBINE	BYRON JACKSON	CRANE DEMING	18
Year Installed	1994	1993	1994	19
Type	VERTICAL TURBINE	SUBMERSIBLE	CENTRIFUGAL	20
Actual Capacity (gpm)	0	120	250	21
Pump Motor or Standby Engine Mfr	US ELECTRIC	FRANKLIN	US ELECTRIC	23
Year Installed	1987	1987	1994	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	50	15	20	26

PUMPING & POWER EQUIPMENT

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	MEQUON #5C WHITMAN	MEQUON #5D WHITMAN	VILE DU PARC #1 DEERTRAIL	1
Location	C-MEQUON	C-MEQUON	VILLE DU PARC	2
Purpose	B	S	S	3
Destination	D	D	D	4
Pump Manufacturer	CRANE DEMING	CRANE DEMING	GRUNDFO	5
Year Installed	1994	1994	1989	6
Type	CENTRIFUGAL	CENTRIFUGAL	VERTICAL TURBINE	7
Actual Capacity (gpm)	350	250	250	8
Pump Motor or Standby Engine Mfr	US ELECTRIC	HERCULES	W/HDA SWITCH	10
Year Installed	1994	1994	1989	11
Type	ELECTRIC	NATURAL GAS	ELECTRIC	12
Horsepower	30	50	25	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification	VILLE DU PARC #1 JONQUIL	VILLE DU PARC #1 RIVER RD	VILLE DU PARC #2 RIVER RD	14
Location	VILLE DU PARC	VILLE DU PARC	VILLE DU PARC	15
Purpose	S	B	B	16
Destination	D	D	D	17
Pump Manufacturer	BYRON JACK	WELLINE	WELLINE	18
Year Installed	1994	1978	1978	19
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	20
Actual Capacity (gpm)	107	300	300	21
Pump Motor or Standby Engine Mfr	W/HDA SWITCH	GE	GE	23
Year Installed	1994	1978	1978	24
Type	ELECTRIC	ELECTRIC	ELECTRIC	25
Horsepower	40	20	20	26

PUMPING & POWER EQUIPMENT

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	VILLE DU PARC #2 YVONNE	VILLE DU PARC #3 RIVER RD	WAVERLY WELL	1
Location	VILLE DU PARC	VILLE DU PARC	NORTH SHORE EAST	2
Purpose	S	S	S	3
Destination	D	D	D	4
Pump Manufacturer	BYRON JACK	GRUNDFO	GOULDS	5
Year Installed	1969	1993	2003	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	220	180	500	8
Pump Motor or Standby Engine Mfr	W/HDA SWITCH	W/HDA SWITCH	US ELECTRIC MOTORS	10
Year Installed	1969	1993	2003	11
Type	ELECTRIC	ELECTRIC	ELECTRIC	12
Horsepower	40	40	50	13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25
				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification number or name	CONCORD PLACE	VILLE DU PARC	HITMAN PLACE, WELL #5	1
RESERVOIRS, STANDPIPES OR ELEVATED TANKS				2
Type: R (reservoir), S (standpipe) or ET (elevated tank)	R	R	R	3
Year constructed	1986	1982	1994	4
Primary material (earthen, steel, concrete, other)	CONCRETE	CONCRETE	CONCRETE	5
Elevation difference in feet (See Headnote 3.)	10	10	10	6
Total capacity in gallons (actual)	100,000	80,000	100,000	7
WATER TREATMENT PLANT				8
Disinfection, type of equipment (gas, liquid, powder, other)				9
Points of application (wellhouse, central facilities, booster station, other)				10
Filters, type (gravity, pressure, other, none)				11
Rated capacity of filter plant (m.g.d.) (note: 1,200,000 gal/day = 1.2 m.g.d.)				12
Is a corrosion control chemical used (yes, no)?				13
Is water fluoridated (yes, no)?				14
				15
				16
				17
				18
				19
				20
				21
				22
				23
				24
				25

WATER MAINS

1. Report mains separately by pipe material, function and diameter.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.

Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	Number of Feet		Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)	
			First of Year (d)	Added During Year (e)				
P	D	4.000	2,601	1,303			3,904	1
M	D	6.000	7,540	2,463			10,003	2
P	D	6.000	56,524	6,153			62,677	3
M	D	8.000	549	537			1,086	4
P	D	8.000	159,685	19,579			179,264	5
P	D	10.000	7,154				7,154	6
M	D	12.000	136				136	7
P	D	12.000	41,670	12,392			54,062	8
P	D	16.000	60,403	0		(2,000)	58,403	* 9
Total Utility			336,262	42,427	0	(2,000)	376,689	

WATER MAINS

Water Mains (Page W-16)

If Added During Year column total is greater than zero, please explain financing following the criteria listed in the schedule headnote No. 5.

Water main expenditures are initially financed with internally generated cash, or with short term debt, or may be covered by a customer contribution if applicable. On a long-term basis, investments in water mains not covered by customer contributions are financed with both equity and debt based on the company's overall target capitalization ratios.

□□□□

□□□□

Explain all reported Adjustments.

(g) 2005 Additions overstated

If Mains Additions column total is greater than zero AND Additions on both of the Plant in Service schedules (Accounts 316 and/or 343) are zero, please explain.

n/a

If Mains Retirements column total is greater than zero AND Retirements on both of the Plant in Service schedules (Accounts 316 and/or 343) are zero, please explain.

n/a

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. Report services separately by pipe material and diameter.
4. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
X	0.000	639				639	0	1
M	0.750	58				58	0	2
M	1.000	459	1			460	0	3
M	1.250	10				10	0	4
P	1.250	158				158	0	5
P	1.500	44				44	0	6
M	1.500	461				461	0	7
M	2.000	6				6	0	8
P	2.000	369	38	1		406	0	9
P	4.000	7				7	0	10
P	6.000	31	1			32	0	11
P	8.000	15	1			16	0	12
M	8.000	2				2	0	13
Total Utility		2,259	41	1	0	2,299	0	

WATER SERVICES

Water Services (Page W-17)

General footnotes

n/a

Explain all reported Adjustments.

n/a

If net additions are greater than zero, please explain financing by following criteria listed in schedule headnote No. 3.

Water service expenditures are initially financed with internally generated cash, or with short-term debt, or may be covered by a customer contribution if applicable. On a long-term basis, investments in water mains not covered by customer contributions are financed with both equity and debt based on the company's overall target capitalization ratios.

If Services Additions are greater than zero AND Additions on both of the Plant in Service schedules (Account 345) are zero, please explain.

n/a

If Services Retirements are greater than zero AND Retirements on both of the Plant in Service schedules (Account 345) are zero, please explain.

n/a

If Utility-Owned Service Not In Use at End of Year is reported as zero, please explain.

n/a

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (a).
5. Explain all reported adjustments as a schedule footnote.

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)
0.750	3,096	88			3,184	2
1.000	282	8			290	
1.500	74				74	2
2.000	28				28	2
3.000	6				6	1
4.000	4				4	
6.000	2				2	1
Total:	3,492	96	0	0	3,588	8

METERS (cont.)**Classification of All Meters at End of Year by Customers**

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)
0.750	2,622	127				435	3,184
1.000	183	48				59	290
1.500	0	34				40	74
2.000		27				1	28
3.000		2				4	6
4.000		3				1	4
6.000						2	2
Total:	2,805	241	0	0	0	542	3,588

METERS

Meters (Page W-18)

General footnotes

Explain all reported adjustments.

n/a

If Tested During Year column total is zero, please explain.

n/a

If Meters Additions column total is greater than zero AND Additions on both of the Plant in Service schedules (Account 346) are zero, please explain.

n/a

If Meters Retirements column total is greater than zero AND Retirements on both of the Plant in Service schedules (Account 346) are zero, please explain.

n/a

Explain program for replacing or testing meters 1" or smaller.

Water meters 1" or smaller are replaced with new meters that have been tested by the manufacturer. Used water meters are normally retired and scrapped. If a 1" or smaller meter is kept to further use it is tested to verify it meets accuracy requirements.

If 2-inch or greater meters are reported as residential, please explain.

n/a

Ss. PSC 185.83(2) states "Station meters shall be maintained to ensure reasonable accuracy and shall have the accuracy checked at least once every 2 years." Are all station meters being tested every two years? Answer yes or no. If no, please explain.

Yes

HYDRANTS

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants	710	90	2		798	1
Total Fire Hydrants	710	90	2	0	798	
Flushing Hydrants	37		7		30	2
Total Flushing Hydrants	37	0	7	0	30	

HYDRANTS

Hydrants (Page W-20)

General footnotes

n/a

If Hydrants Additions are greater than zero AND Additions on both of the Plant in Service schedules (Account 348) are zero, please explain.

n/a

If Hydrants Retirements are greater than zero AND Retirements on both of the Plant in Service schedules (Account 348) are zero, please explain.

n/a

Explain all reported Adjustments.

n/a

WATER CUSTOMERS SERVED

Number of customers in each city, village and town supplied directly with service by reporting utility at end of year.
--

Location (a)	Customers End of Year (b)
Milwaukee County	
Villages	
BAYSIDE	449
Total Villages:	449
Total Milwaukee County:	449
Ozaukee County	
Cities	
MEQUON	2,448
Total Cities:	2,448
Villages	
THIENSVILLE	83
Total Villages:	83
Total Ozaukee County:	2,531
Total Company:	2,980

APPENDIX

The following items shall be attached to the completed report:

Notes to Financial Statements

Service Territory Maps

(For 2006 report:) If you normally complete any of the following schedules, please attach a copy:

Extraordinary Property Losses (FERC p. 230)

Other Regulatory Liabilities (FERC p. 278)

Regulatory Commission Expenses (FERC pp. 350-351)

Other documentation you are requested to provide.

WISCONSIN GAS LLC

2006 SUPPLEMENTAL NOTES TO FINANCIAL STATEMENTS

NOTE 1 – REGULATORY REPORTING IN THIS REPORT COMPARED TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The accounting records of Wisconsin Gas LLC (Wisconsin Gas) are maintained as prescribed by the Federal Energy Regulatory Commission (FERC) modified for the requirements of the Public Service of Wisconsin (PSCW). The accompanying financial statements have been prepared in accordance with the accounting requirements of these regulators, which differs from generally accepted accounting principles (GAAP). Wisconsin Gas classifies certain items in its accompanying Comparative Balance Sheet (primarily the components of accumulated depreciation, accumulated deferred income taxes, certain miscellaneous current and accrued liabilities and maturities of long term debt) in a manner different than required by GAAP.

Wisconsin Gas collects future removal costs in rates for many assets that do not have an associated legal asset retirement obligation as defined by Statement of Financial Accounting Standards (SFAS) No. 143, Accounting for Asset Retirement Obligations. The liability for the estimated future removal costs collected in rates is recognized for regulatory accounting purposes in account 108 as part of accumulated depreciation. This classification differs from how Wisconsin Gas reports such amounts for GAAP reporting purposes. For GAAP reporting purposes, this liability of \$191.1 million and \$181.5 million as of December 31, 2006 and 2005, respectively, was classified as a regulatory liability on the balance sheets of Wisconsin Gas. For further information, see Regulatory Assets and Liabilities in Note C of the following Notes to Financial Statements.

The following additional Notes to Consolidated Financial Statements, modified for requirements of the PSCW, appear in the 2006 Annual report for Wisconsin Gas LLC.

DEFINITION OF ABBREVIATIONS AND INDUSTRY TERMS

The abbreviations and terms set forth below are used throughout these financial statements and have the meanings assigned to them below.

Wisconsin Gas LLC Affiliates

Guardian	Guardian Pipeline L.L.C.
WICOR	WICOR, Inc.
Wisconsin Electric	Wisconsin Electric Power Company
Wisconsin Energy	Wisconsin Energy Corporation

Federal and State Regulatory Agencies

IRS	Internal Revenue Service
PSCW	Public Service Commission of Wisconsin
SEC	Securities and Exchange Commission
WDNR	Wisconsin Department of Natural Resources

Other Terms and Abbreviations

Compensation Committee	Compensation Committee of the Wisconsin Energy Board of Directors
LLC	Limited Liability Company

Accounting Terms

AFUDC	Allowance for Funds Used During Construction
APB	Accounting Principles Board
ARO	Asset Retirement Obligation
CWIP	Construction Work in Progress
FASB	Financial Accounting Standards Board
FIN	FASB Interpretation
FSP	FASB Staff Position
GAAP	Generally Accepted Accounting Principles
OPEB	Other Post-Retirement Employee Benefits
SAB	Staff Accounting Bulletin
SFAS	Statement of Financial Accounting Standards

Accounting Pronouncements

APB 25	Accounting for Stock Issued to Employees
FIN 47	Accounting for Conditional Asset Retirement Obligations
FIN 48	Accounting for Uncertainty in Income Taxes
FSP SFAS 106-2	Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003
SFAS 71	Accounting for the Effects of Certain Types of Regulation
SFAS 87	Employers' Accounting for Pensions
SFAS 88	Employers' Accounting for Settlements and Curtailments of Defined Benefit Pension Plans and for Termination Benefits
SFAS 106	Employers' Accounting for Postretirement Benefits Other Than Pensions
SFAS 109	Accounting for Income Taxes
SFAS 123	Accounting for Stock-Based Compensation
SFAS 123R	Share-Based Payment (Revised 2004)
SFAS 132R	Employers' Disclosures about Pensions and Other Postretirement Benefits (Revised 2003)
SFAS 133	Accounting for Derivative Instruments and Hedging Activities
SFAS 142	Goodwill and Other Intangible Assets
SFAS 143	Accounting for Asset Retirement Obligations
SFAS 148	Accounting for Stock-Based Compensation - Transition and Disclosure
SFAS 149	Amendment of SFAS 133 on Derivative Instruments and Hedging Activities
SFAS 157	Fair Value Measurements
SFAS 158	Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans

WISCONSIN GAS LLC

NOTES TO FINANCIAL STATEMENTS

A -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The financial statements include the accounts of Wisconsin Gas (the Company, our, we or us), a wholly-owned subsidiary of Wisconsin Energy. We are a public utility engaged in the distribution of natural gas throughout Wisconsin. Most of our revenues are derived from gas delivered in southeastern Wisconsin. In addition, we operate a small water utility that has annual revenues less than \$2.5 million.

Wisconsin Gas and Wisconsin Electric, another wholly-owned utility subsidiary of Wisconsin Energy, have combined many of their common functions and operate under the trade name "We Energies".

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassifications: We have reclassified certain prior year financial statement amounts to conform to their current year presentation. These reclassifications had no effect on total assets or net income.

Gas Distribution Revenues and Purchased Gas Costs: Utility revenues are recognized on the accrual basis of accounting and include estimated amounts for service rendered but not billed.

Our rate schedules contain provisions, which permit, subject to a sharing mechanism, the recovery of actual purchased gas costs incurred. The difference between actual gas costs incurred (adjusted for the sharing mechanism) and costs recovered through rates is deferred as a current asset or liability. The deferred balance is returned to or recovered from customers at intervals throughout the year and any residual balance at the annual October 31 reconciliation date is subsequently refunded to or recovered from customers. We record sales of excess gas supplies and sales of excess pipeline capacity to third parties as a reduction in the cost of gas sold which is consistent with the gas cost recovery rules established by the PSCW.

Property and Depreciation: We record property, plant and equipment at cost. Cost includes material, labor, overhead and AFUDC. Additions to and significant replacements of property are charged to property, plant and equipment at cost; minor items are charged to maintenance expense. The cost of depreciable utility property less salvage value is charged to accumulated depreciation when property is retired.

We collect future removal costs in our rates for many assets that do not have an associated ARO. We record a regulatory liability on our balance sheet for the estimated amounts we have collected in rates for future removal costs less amounts we have spent in removal activities. This liability was \$191.1 million and \$181.5 million as of December 31, 2006 and 2005, respectively.

Our utility depreciation rates are certified by the state regulatory commission and include estimates for salvage value and removal costs. Depreciation expense as a percent of average depreciable utility plant was 3.7% in 2006 and 3.8% in 2005. The decline in depreciation as a percent of average depreciable utility plant was due to new depreciation rates approved by the PSCW, which became effective January 1, 2006.

Allowance For Funds Used During Construction: AFUDC is included in utility plant accounts and represents the cost of borrowed funds (AFUDC – Debt) used during construction and a return on stockholders' capital (AFUDC – Equity) used for construction purposes. In the Income Statements, AFUDC-Debt is recorded as a reduction of interest expense and AFUDC-Equity is recorded in other income, net.

During 2006, we accrued AFUDC on 50% of CWIP balances at a rate of 11.31%, as authorized by the PSCW. During 2005, we accrued AFUDC on specific large construction projects at a rate of 10.32%, as authorized by the PSCW.

The following table is a summary of AFUDC for the years ended December 31:

	2006	2005
	(Millions of Dollars)	
AFUDC – Debt	\$ --	\$ --
AFUDC – Equity	\$ 0.1	\$ --

Materials, Supplies and Inventories:

We price substantially all materials and supplies and natural gas in storage inventories using the weighted-average method of accounting.

Goodwill and Intangible Assets: Goodwill represents the excess of acquisition costs over the fair value of the net assets of acquired businesses, including Wisconsin Energy's acquisition of us as part of the WICOR acquisition in April 2000, less impairment charges. As of December 31, 2006 and 2005, we had recorded \$95.9 million of goodwill.

Under SFAS 142, goodwill and other intangibles with indefinite lives are not subject to amortization. However, they are subject to fair value-based rules for measuring impairment, and resulting write-downs, if any, are to be reflected in operating expense. We assess fair value by considering future discounted cash flows, a comparison of fair value based on public company trading multiples, and merger and acquisition transaction multiples for similar companies. This evaluation utilizes the information available under the circumstances, including reasonable and supportable assumptions and projections. We perform our annual impairment test as of August 31.

Regulatory Accounting: We account for our regulated operations in accordance with SFAS 71. This statement sets forth the application of generally accepted accounting principles to those companies whose rates are determined by an independent third-party regulator. The economic effects of regulation can result in regulated companies recording costs that have been or are expected to be allowed in the rate making process in a period different from the period in which the costs would be charged to expense by an unregulated enterprise. When this occurs, costs are deferred as assets in the balance sheet (regulatory assets) and recorded as expenses in the periods when those same amounts are reflected in rates. We defer all of our regulatory assets pursuant to specific rate orders or by a generic order issued by our regulator. Additionally, regulators can impose liabilities upon a regulated company for amounts previously collected from customers and for amounts that are expected to be refunded to customers (regulatory liabilities). We expect to recover our outstanding regulatory assets in rates over a period of no longer than 20 years.

Derivative Financial Instruments: We have derivative physical and financial instruments as defined by SFAS 133 which we report at fair value. However, our use of financial instruments is limited. For further information, see Note G.

Cash and Cash Equivalents: Cash and cash equivalents include marketable debt securities acquired three months or less from maturity.

Margin Accounts: Cash deposited in brokerage accounts for margin requirements is recorded in Other Current Assets on our Balance Sheets.

Asset Retirement Obligations: We adopted SFAS 143 effective January 1, 2003. We adopted FIN 47 effective December 31, 2005. FIN 47 defines the term conditional ARO as used in SFAS 143. As defined in FIN 47, a conditional ARO refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event that may or may not be within the control of the entity. Consistent with SFAS 143, we record a liability at fair value for a legal ARO in the period in which it is incurred. When a new legal obligation is recorded, we capitalize the costs of the liability by increasing the carrying amount of the related long-lived asset. We accrete the liability to its present value each period and depreciate the capitalized cost over the useful life of the related asset. At the end of the asset's useful life, we settle the obligation for its recorded amount and incur a gain or loss. We apply SFAS 71 and recognize regulatory assets or liabilities for the timing differences between when we recover legal AROs in rates and when we would recognize these costs under SFAS 143.

Restrictions: Various financing arrangements and regulatory requirements impose certain restrictions on our ability to transfer funds to Wisconsin Energy in the form of cash dividends, distributions, loans or advances. In addition,

under Wisconsin law, we are prohibited from loaning funds, either directly or indirectly, to Wisconsin Energy. We do not believe that these restrictions will materially affect our operations. For additional information, see Note L.

Income Taxes: We follow the liability method of accounting for income taxes as prescribed by SFAS 109. SFAS 109 requires the recording of deferred assets and liabilities to recognize the expected future tax consequences of events that have been reflected in our financial statements or tax returns and the adjustment of deferred tax balances to reflect tax rate changes. We are required to assess the likelihood that our deferred tax assets would expire before being realized.

Tax credits associated with our regulated operations are deferred and amortized over the life of the assets. We are included in Wisconsin Energy's consolidated Federal income tax return. Wisconsin Energy allocates Federal tax expense or credits to us as if we were a separate tax paying entity.

Investment tax credits associated with our regulated utility assets are recorded as a deferred credit on the balance sheet and amortized to income over the applicable service lives of related properties in accordance with regulatory treatment.

Wisconsin Energy allocates the tax benefit of stock options exercised to us to the extent the option holder's payroll cost was incurred by us. We record the allocated tax benefit as an addition to member's equity.

We recognize interest and penalties accrued related to unrecognized tax benefits in Income Taxes in our Income Statements, as well as Regulatory Assets or Regulatory Liabilities in our Balance Sheets.

We collect sales and use taxes from our customers and remit these taxes to governmental authorities. These taxes are recorded in our Income Statements on a net basis.

Stock Options: Employees of Wisconsin Gas participate in the Wisconsin Energy stock-based compensation plan. The amounts reported represent the allocated costs related to options held by our employees. For more information on the plan, see Note L.

Effective January 1, 2006, Wisconsin Energy adopted SFAS 123R, using the modified prospective method. Wisconsin Energy uses a binomial pricing model to estimate the fair value of stock options granted subsequent to December 31, 2005. Prior to January 1, 2006, Wisconsin Energy accounted for share based compensation under APB 25. The pro forma impact of share based compensation expense under SFAS 123 was immaterial to our Financial Statements. Historically, all stock options have been granted with an exercise price equal to the fair market value of the common stock on the date of grant and expire no later than ten years from the grant date. Accordingly, no compensation expense was recognized in connection with option grants. All options granted subsequent to December 31, 2004 vest on a cliff-basis after a three year period. Prior to January 1, 2006, we reported benefits of tax deductions in excess of recognized compensation costs as operating cash flows. SFAS 123R requires that excess tax benefits be reported as a financing cash inflow rather than as an operating cash inflow. For further discussion of this new standard, see Note L.

Wisconsin Energy previously adopted the disclosure provisions of SFAS 123 as amended by SFAS 148. The fair value of each Wisconsin Energy option at date of grant for 2006 was calculated using a binomial option pricing model. For 2005 the fair value of options at the date of grant was estimated using the Black-Scholes option-pricing model. The following weighted average assumptions were used:

	Binomial 2006	Black-Scholes 2005
Risk free interest rate	4.3% - 4.4%	4.4%
Dividend yield	2.4%	2.5%
Expected volatility	17.0% - 20.0%	19.0%
Expected life (years)	6.3	10.0
Pro forma weighted average fair value of our stock options granted	\$7.55	\$8.32

B -- RECENT ACCOUNTING PRONOUNCEMENTS

Share Based Compensation: In December 2004, the FASB issued SFAS 123R, which amended SFAS 123. This statement requires that the compensation costs relating to share based compensation be recognized in the income statement. Wisconsin Energy adopted SFAS 123R effective January 1, 2006 using the modified prospective method.

Uncertainty in Income Taxes: In July 2006, the FASB issued FIN 48, an interpretation of SFAS 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the enterprise's financial statements in accordance with SFAS 109. We adopted FIN 48 effective January 1, 2007. For further information, see Note D.

Fair Value Measurements: In September 2006, the FASB issued SFAS 157. SFAS 157 provides guidance for using fair value to measure assets and liabilities. SFAS 157 defines fair value, provides a framework for measuring fair value and expands disclosures related to fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007. We are currently evaluating the provisions of SFAS 157 and we expect to adopt SFAS 157 on January 1, 2008.

Pension and Other Post-retirement Plans: In September 2006, the FASB issued SFAS 158, an amendment of SFAS 87, 88, 106 and 132R. SFAS 158 requires recognition of the over-funded or under-funded status of a defined benefit post-retirement plan as an asset or liability on the balance sheet and recognition of changes in that funded status in the year in which the changes occur through comprehensive income. SFAS 158 also requires an employer to measure the funded status of a plan as of the date of its year end balance sheet. We adopted SFAS 158 as of December 31, 2006. For further information, see Note I.

C -- REGULATORY ASSETS AND LIABILITIES

Our regulator considers our regulatory assets and liabilities in two categories, escrowed and deferred. In escrow accounting we expense amounts that are included in rates. If actual costs exceed, or are less than the amounts that are allowed in rates, the difference in cost is escrowed on the balance sheet as a regulatory asset or regulatory liability and the escrowed balance is considered in setting future rates. Under deferred cost accounting, we defer amounts to our balance sheet based upon specific orders or correspondence with our regulator. These deferred costs will be considered in future rate setting proceedings. As of December 31, 2006, we had approximately \$25.3 million of net regulatory assets that were not earning a return.

Our regulatory assets and liabilities as of December 31 consist of:

	2006	2005
	(Millions of Dollars)	
Regulatory Assets		
Deferred unrecognized pension benefits (see Note I)	\$112.4	\$3.2
Deferred post-retirement benefits (see Note I)	40.5	17.3
Deferred environmental costs	25.8	20.2
Escrowed bad debt costs	19.6	25.6
Deferred derivatives (see Note G)	18.1	2.6
Other, net	5.9	6.3
Total long-term regulatory assets	<u>\$222.3</u>	<u>\$75.2</u>
Regulatory Liabilities		
Deferred cost of removal obligations	191.1	181.5
Deferred pension benefit costs	60.9	68.2
Deferred post-retirement benefit costs	33.4	37.4
Other, net	18.0	25.5
Total long-term regulatory liabilities	<u>303.4</u>	<u>312.6</u>
Net long-term regulatory liabilities	<u>\$81.1</u>	<u>\$237.4</u>

As of December 31, 2005, we recorded a minimum pension liability to reflect the funded status of our pension plans (see Note I). Under SFAS 158, which Wisconsin Energy adopted effective December 31, 2006, we have concluded that substantially all of the unrecognized costs allocated to us resulting from the recognition of the funded status of the pension and OPEB plans qualify as a regulatory asset.

We record deferred regulatory assets and liabilities representing the future expected impact of deferred taxes on utility revenues (see Note A).

As of December 31, 2006, we have deferred a regulatory asset of approximately \$19.6 million related to bad debt costs. In 2005 the PSCW approved our request to account for residential bad debt costs on an escrow basis whereby we defer actual bad debt write-offs that exceed amounts allowed in rates, and that treatment continued in 2006.

Consistent with a generic order from and past rate-making practices of the PSCW, we defer as a regulatory asset, costs associated with the remediation of former manufactured gas plant sites. As of December 31, 2006, we have recorded \$25.8 million of environmental costs associated with manufactured gas plant sites as a regulatory asset, including \$10.8 million of deferrals for actual remediation costs expensed and a \$15.0 million accrual for estimated future site remediation costs (See Note M). In addition, we have deferred \$0.7 million of insurance recoveries associated with the environmental costs as regulatory liabilities. We included total actual remediation costs incurred net of the related insurance recoveries in our 2006 rate case. We began amortizing these costs upon receiving PSCW approval in January 2006. The amortization period for these costs is five years.

In connection with Wisconsin Energy's acquisition of WICOR in 2000, we recorded the funded status of our pension and post-retirement medical plans at fair value at the acquisition date. Due to the expected regulatory treatment of these items, we recorded a regulatory liability (Deferred pension and deferred post-retirement benefit costs) that is being amortized over an average remaining service life of 15 years ending 2015.

D -- INCOME TAXES

The following table is a summary of income tax expense for each of the years ended December 31:

Income Taxes	2006	2005
	(Millions of Dollars)	
Current tax expense	\$12.9	\$9.2
Deferred income taxes, net	7.8	6.1
Investment tax credit, net	(0.4)	(0.4)
Total Income Tax Expense	<u>\$20.3</u>	<u>\$14.9</u>

The provision for income taxes for each of the years ended December 31 differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to income before income taxes as a result of the following:

	2006		2005	
Income Tax Expense	Amount	Effective Tax Rate	Amount	Effective Tax Rate
		(Millions of Dollars)		
Expected tax at statutory federal tax rates	\$19.3	35.0%	\$14.2	35.0%
State income taxes net of federal tax benefit	2.6	4.7%	2.0	4.9%
Investment tax credit restored	(0.4)	(0.7)%	(0.4)	(1.0)%
Other, net	(1.2)	(2.2)%	(0.9)	(2.2)%
Total Income Tax Expense	<u>\$20.3</u>	<u>36.8%</u>	<u>\$14.9</u>	<u>36.7%</u>

The components of SFAS 109 deferred income taxes classified as net current assets and net non-current liabilities at December 31 are as follows:

	2006	2005
	(Millions of Dollars)	
Deferred Tax Assets		
Current		
Employee benefits and compensation	\$3.1	\$3.6
Inventory	1.4	2.0
Other	0.5	--
Total Current Deferred Tax Assets	5.0	5.6
Non-current		
Property related	31.1	45.8
Employee benefits and compensation	3.0	5.6
Other	5.3	5.1
Total Non-current Deferred Tax Assets	39.4	56.5
Total Deferred Tax Assets	\$44.4	\$62.1
Deferred Tax Liabilities		
Current		
Inventory	\$1.3	\$0.5
Uncollectible account expense	--	1.5
Other	0.9	0.4
Total Current Deferred Tax Liabilities	2.2	2.4
Non-current		
Pension benefits	61.5	58.8
Employee benefits and compensation	9.8	8.6
Other	4.3	0.5
Total Non-current Deferred Tax Liabilities	75.6	67.9
Total Deferred Tax Liabilities	\$77.8	\$70.3
Balance Sheet Presentation		
Current Deferred Tax Asset	\$2.8	\$3.2
Non-current Deferred Tax (Liability)	(\$36.2)	(\$11.4)

Consistent with ratemaking treatment, deferred taxes are offset in the above table for temporary differences which have related regulatory assets or liabilities.

In July 2006, the FASB issued FIN 48, an interpretation of SFAS 109. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in the enterprise's financial statements in accordance with SFAS 109. FIN 48 provides clarification on the accounting for income taxes by setting forth a minimum recognition threshold an uncertain tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on de-recognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal years beginning after December 15, 2006. We adopted FIN 48 effective January 1, 2007. As a result of the adoption of FIN 48, we estimate that the cumulative effect on retained earnings is immaterial.

E -- SHORT-TERM DEBT

Short-term notes payable balances and their corresponding weighted-average interest rates at December 31 consist of:

	2006		2005	
	Balance	Interest Rate	Balance	Interest Rate
	(Millions of Dollars, except for percentages)			
Commercial paper	\$63.8	5.38%	\$134.1	4.38%

On December 31, 2006, we had approximately \$300 million of available unused lines under our bank back-up credit facility and approximately \$63.8 million of total short-term debt.

The following information relates to Short-Term Debt for the years ending December 31, 2006 and 2005:

	2006	2005
	(Millions of Dollars, except for percentages)	
Maximum Short-Term Debt Outstanding	\$141.4	\$170.5
Average Short-Term Debt Outstanding	\$31.9	\$62.0
Weighted Average Interest Rate	4.94%	3.28%

On March 30, 2006, we entered into an unsecured five year \$300 million bank back-up credit facility to replace a \$200 million three year credit facility with an expiration date of June 2007. The new facility expires in March 2011. This credit agreement allows us to maintain short-term credit liquidity and, among other terms, requires us to maintain, subject to certain exclusions, a minimum total funded debt to capitalization ratio of less than 65%.

Our bank back-up credit agreement contains customary covenants, including certain limitations on our ability to sell assets. The credit agreement also contains customary events of default, including payment defaults, material inaccuracy of representations and warranties, covenant defaults, bankruptcy proceedings, certain judgments, ERISA defaults and change of control.

At December 31, 2006, we were in compliance with all covenants.

F -- LONG-TERM DEBT

Debentures and Notes: At December 31, 2006, the maturities through 2011 and thereafter for the aggregate amount of long-term debt outstanding were:

	(Millions of Dollars)
2007	\$ -
2008	-
2009	50.0
2010	-
2011	-
Thereafter	260.0
Total	<u>\$310.0</u>

We amortize debt premiums, discounts and debt issuance costs over the lives of the debt and include the costs in interest expense.

We retired at the scheduled maturity date \$65 million of 6-3/8% Notes due November 1, 2005. In November 2005, we issued \$90 million of 5.90% Debentures due December 1, 2035. The securities were issued under shelf registration statements filed with the SEC. The proceeds from the sale were used to repay a portion of our

outstanding commercial paper. The commercial paper was issued to both retire the \$65 million of 6-3/8% Notes and for working capital requirements.

G -- DERIVATIVE INSTRUMENTS

We follow SFAS 133, as amended by SFAS 149, which requires that every derivative instrument be recorded on the balance sheet as an asset or liability measured at its fair value and that change in the derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. For most energy related physical and financial contracts that qualify as derivatives under SFAS 133, the PSCW allows the effects of the fair market value accounting to be offset to regulatory assets and liabilities. As of December 31, 2006, we recognized \$18.1 million in regulatory assets related to derivatives in comparison to \$2.6 million at December 31, 2005.

We had a limited number of financial contracts that are defined as derivatives under SFAS 133 and qualify for cash flow hedge accounting. These contracts were utilized to manage the cost of gas. Changes in the fair market values of these instruments were recorded in Accumulated Other Comprehensive Income. At the date the underlying transaction occurs, the amounts in Accumulated Other Comprehensive Income are reported in earnings.

For the years ended December 31, 2006 and 2005 the amount of hedge ineffectiveness was immaterial. We did not exclude any components of derivative gains or losses from the assessment of hedge effectiveness.

H -- FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount and estimated fair value of certain of our recorded financial instruments at December 31 are as follows:

Financial Instruments	2006		2005	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(Millions of Dollars)			
Long-term debt including current portion	\$310.0	\$310.4	\$310.0	\$317.1

The carrying value of cash and cash equivalents, net accounts receivable, accounts payable and short-term borrowings approximates fair value due to the short-term nature of these instruments. The fair value of our long-term debt, including the current portion of long-term debt, is estimated based upon quoted market value for the same or similar issues or upon the quoted market prices of U.S. Treasury issues having a similar term to maturity, adjusted for the issuing company's bond rating and the present value of future cash flows. The fair values of derivative financial instruments and associated margin accounts are equal to their carrying values as of December 31, 2006.

I -- BENEFITS

Pensions and Other Post-retirement Benefits: We participate in Wisconsin Energy's noncontributory defined benefit pension plans that cover substantially all of our employees. The plans provide defined benefits based upon years of service and final average salary. In October 2006, Wisconsin Energy announced that it was making a change to pension benefits for new management employees hired subsequent to October 2006 and for those represented employees whose unions have adopted this plan. The retirement benefit for new employees is an enhanced 401(k) plan. Existing employees' pension benefits are unchanged. Our 2007 combined pension and savings plan costs are not expected to be materially affected as a result of this change to the plan.

We also participate in Wisconsin Energy's OPEB plans that cover substantially all of our employees. The health care plans are contributory with participants' contributions adjusted annually; the life insurance plans are noncontributory. The accounting for the health care plans anticipates future cost-sharing changes to the written plans that are consistent with our expressed intent to maintain the current cost sharing levels. The post-retirement health care plans include a limit on our share of costs for recent and future retirees. Wisconsin Energy uses a year end measurement date for all of the pension and OPEB plans.

The assets, obligations and components of our pension costs are allocated by Wisconsin Energy's actuary to each of the participating companies as if each participating company had its own plan. The disclosures below are based on an allocation to us of the amounts for Wisconsin Energy's pension plan.

In September 2006, the FASB issued SFAS 158, which requires employers to recognize all obligations related to their pension and OPEB plans and to quantify the funded status of the pension and OPEB plans as an asset or liability on their statement of financial position. In addition, SFAS 158 requires employers to measure the funded status of their plans as of the date of their year-end statement of financial position.

Wisconsin Energy adopted SFAS 158 prospectively on December 31, 2006. Wisconsin Energy has historically and will continue to use a year end measurement date for all of the benefit plans. Prior to the issuance of SFAS 158, we recorded a minimum pension liability to reflect the funded status of the pension plan. Due to the regulatory nature of our business, we have concluded that substantially all of the unrecognized costs resulting from the recognition of the funded status of the pension and OPEB plans qualify as a regulatory asset.

The following table shows the incremental effect of applying SFAS 158 on individual line items in our year-end statement of financial position and compares prior year-end balances:

	December 31, 2006			December 31, 2005 (Millions of Dollars)
	Before SFAS 158	Impact	As Reported	
	(Millions of Dollars)			
Regulatory Asset - Pension	\$ 3.3	\$ 109.1	\$ 112.4	\$ 3.2
Regulatory Asset - OPEB	\$ 14.6	\$ 25.9	\$ 40.5	\$ 17.3
Prepaid Pension costs	\$ 224.1	\$ (108.2)	\$ 115.9	\$ 217.9
Other Deferred Charges - Pension	\$ 0.7	\$ (0.7)	\$ -	\$ -
Other Deferred Charges - OPEB	\$ 40.8	\$ (26.1)	\$ 14.7	\$ 53.2
Pension Liability	\$ 9.3	\$ -	\$ 9.3	\$ 9.2
OPEB Liability	\$ -	\$ -	\$ -	\$ 15.2

The following table presents additional details about the pension and OPEB plans.

Status of Benefit Plans	Pension		OPEB	
	2006	2005	2006	2005
	(Millions of Dollars)			
Change in Benefit Obligation				
Benefit Obligation at January 1	\$168.1	\$163.9	\$67.7	\$79.0
Service cost	2.9	3.0	0.5	0.5
Interest cost	8.8	9.0	3.6	4.1
Plan amendments	0.5	0.5	-	(9.0)
Actuarial loss (gain)	(11.2)	1.1	1.3	(2.3)
Benefits paid	(9.8)	(9.4)	(4.0)	(4.6)
Federal Subsidy on Benefits Paid	N/A	N/A	0.2	N/A
Benefit Obligation at December 31	<u>\$159.3</u>	<u>\$168.1</u>	<u>\$69.3</u>	<u>\$67.7</u>
Change in Plan Assets				
Fair Value at January 1	\$244.2	\$237.0	\$77.8	\$76.2
Actual earnings on plan assets	30.8	15.9	7.6	3.4
Employer contributions	0.7	0.7	2.6	2.8
Benefits paid	(9.8)	(9.4)	(4.0)	(4.6)
Fair Value at December 31	<u>\$265.9</u>	<u>\$244.2</u>	<u>\$84.0</u>	<u>\$77.8</u>
Funded Status of Plans				
Funded status at December 31	\$106.6	\$76.1	\$14.7	\$10.1
Unrecognized (1)				
Net actuarial loss	N/A	135.7	N/A	30.8
Prior service cost	N/A	0.1	N/A	(2.9)
Net transition (asset) obligation	N/A	-	N/A	17.3
Net Asset	<u>\$106.6</u>	<u>\$211.9</u>	<u>\$14.7</u>	<u>\$55.3</u>

(1) After adoption of SFAS 158 on December 31, 2006, these amounts are recorded and this reconciliation is no longer needed.

Information for pension plans with an accumulated benefit obligation in excess of the fair value of its assets, is as follows:

	2006	2005
	(Millions of Dollars)	
Projected benefit obligation	\$9.3	\$9.2
Accumulated benefit obligation	\$9.3	\$9.2
Fair value of plan assets	\$ -	\$ -

The components of net periodic pension and OPEB costs are:

Benefit Plan Cost Components	Pension		OPEB	
	2006	2005	2006	2005
(Millions of Dollars)				
Net Periodic Benefit Cost				
Service cost	\$2.9	\$3.0	\$0.5	\$0.5
Interest cost	8.7	9.0	3.7	4.1
Expected return on plan assets	(20.7)	(21.9)	(6.2)	(6.4)
Amortization of:				
Prior service cost	-	(0.1)	(0.1)	0.5
Actuarial loss	2.8	2.4	1.8	1.6
Net Periodic Benefit (Income) Cost	<u>(\$6.3)</u>	<u>(\$7.6)</u>	<u>(\$0.3)</u>	<u>\$0.3</u>
Weighted-Average assumptions used to determine benefit obligations at Dec 31				
Discount rate	5.75%	5.50%	5.75%	5.50%
Rate of compensation increase	4.5 to 5.0	4.5 to 5.0	4.5 to 5.0	4.5 to 5.0
Weighted-Average assumptions used to determine net cost for year ended Dec 31				
Discount rate	5.50%	5.75%	5.50%	5.75%
Expected return on plan assets	8.5	9.0	8.5	9.0
Rate of compensation increase	4.5 to 5.0	4.5 to 5.0	4.5 to 5.0	4.5 to 5.0
Assumed health care cost trend rates at Dec 31				
Health care cost trend rate assumed for next year (Pre 65 and Post 65)			9 and 11%	10%
Rate that the cost trend rate gradually adjusts to			5%	5%
Year that the rate reaches the rate it is assumed to remain at			2011	2011

The expected long-term rate of return on plan assets was 8.5% in 2006 and 9% in 2005. This return expectation on plan assets was determined by reviewing actual pension historical returns as well as calculating expected total trust returns using the weighted average of long-term market returns for each of the asset categories utilized in the pension fund.

Other Post-retirement Benefits Plans: We use Employees' Benefit Trusts to fund a major portion of OPEB. The majority of the trusts' assets are mutual funds or commingled indexed funds.

A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1% Increase	1% Decrease
	(Millions of Dollars)	
Effect on		
Post-retirement benefit obligation	\$1.2	(\$1.2)
Total of service and interest cost components	\$0.1	(\$0.1)

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (Act) was signed into law. The Act introduced a prescription drug benefit program under Medicare as well as a federal subsidy to sponsors of retiree health care benefit plans. In 2004, the FASB issued FSP SFAS 106-2.

In 2004, in accordance with FSP 106-2, we chose to recognize the effects of the Act retroactively effective January 1, 2004. In January 2005, the Centers for Medicare & Medicaid Services released final regulations to implement the new prescription drug benefit under Part D of Medicare. It was determined that the employer

sponsored plans meet these regulations and that the previously determined actuarial measurements do not need to be revised.

In October 2005, we announced that we were offering to our retirees a Medicare Advantage program as an option within our existing post-retirement medical and drug plans. The Medicare Advantage program is part of the Act, and offers post-65 medical and drug benefits through private insurance carriers. The Medicare Advantage program is expected to reduce the cost of post-65 medical and drug costs for our retirees and the Company. Due to this change, we remeasured the fair value of our OPEB plans in the fourth quarter of 2005 in accordance with SFAS 106. In 2005, the impact of this remeasurement and the FSP SFAS 106-2 benefit was approximately a \$0.3 million reduction to SFAS 106 expense.

Plan Assets: In our opinion, current pension trust assets and amounts which are expected to be contributed to the trusts in the future will be adequate to meet pension payment obligations to current and future retirees. The pension plan asset allocation at December 31, 2006 and 2005, and our target allocation for 2007, by asset category, are as follows:

Asset Category	Target Allocation	Actual Allocation	
	2007	2006	2005
Equity Securities	65%	61%	65%
Debt Securities	35%	39%	35%
Total	100%	100%	100%

Our OPEB plans asset allocation at December 31, 2006 and 2005, and our target allocation for 2007, by asset category, are as follows:

Asset Category	Target Allocation	Actual Allocation	
	2007	2006	2005
Equity Securities	54%	60%	59%
Debt Securities	46%	39%	39%
Other	-	1%	2%
Total	100%	100%	100%

Wisconsin Energy's common stock is not included in equity securities. Investment managers are specifically prohibited from investing in our securities or any affiliate of ours except if part of a commingled fund or index.

The target asset allocation was established by an Investment Trust Policy Committee, which oversees investment matters related to all of our funded benefit plans. Asset allocation is monitored by the Investment Trust Policy Committee.

Cash flows:

Employer Contributions	Pension	OPEB
	(Millions of Dollars)	
2005	\$0.7	\$2.8
2006	\$0.7	\$2.6

Based on our PSCW approved funding policy and current IRS funding requirements, we expect to contribute \$0.7 million to fund pension benefits and \$1.3 million to fund OPEB plans in 2007. Of the \$0.7 million expected to be contributed to fund pension benefits in 2007, we estimate none will be for our qualified plans. We did not make a contribution to our qualified plans during 2006 or 2005.

The entire contribution to the OPEB plans during 2006 was discretionary as the plans are not subject to any minimum regulatory funding requirements.

The following table identifies our expected benefit payments over the next 10 years.

Year	Pension	Gross OPEB (Millions of Dollars)	Expected Medicare Part D Subsidy
2007	\$7.7	\$8.3	(\$0.2)
2008	\$7.7	\$7.3	(\$0.2)
2009	\$8.7	\$6.2	\$ -
2010	\$10.1	\$5.0	\$ -
2011	\$10.5	\$4.2	\$ -
2012-2016	\$66.2	\$22.3	\$ -

Savings Plans: We participate in a savings plan, sponsored by Wisconsin Energy, which allows employees to contribute a portion of their pre-tax and/or after-tax income in accordance with plan-specified guidelines. Under these plans, we expensed matching contributions of \$1.0 million during both 2006 and 2005.

J -- POSTEMPLOYMENT BENEFITS

Postemployment benefits: Postemployment benefits provided to former or inactive employees are recognized when an event occurs. As of December 31, 2006, we have recorded an estimated liability, based on an accrual analysis, of \$4.0 million.

K -- RELATED PARTIES

Guardian Pipeline: Prior to April 2006, Wisconsin Energy had a one-third interest in Guardian. Guardian owns an interstate natural gas pipeline that runs from the Joliet, Illinois area to southeastern Wisconsin. In April 2006, Wisconsin Energy sold its' one-third interest in Guardian to an unaffiliated entity. During 2006, Guardian announced a plan to extend their pipeline by approximately 110 miles from southeastern Wisconsin to Green Bay, Wisconsin. We have committed to purchase approximately 90 dekatherms per day of capacity on this extension through October 2023. In addition, together with Wisconsin Electric, we have extended our commitment to purchase 650,000 dekatherms of capacity on the original pipeline until December 2022. In October 2006, along with Wisconsin Electric and in connection with the Guardian extension, we filed a joint application with the PSCW to construct approximately 13 miles of pipeline laterals (approximately 3 miles of which would be owned by us) to connect our gas distribution system to the proposed Guardian extension. We also filed to construct 14 miles of additional pipeline laterals owned solely by us. The Guardian extension is projected to be operational in November 2008. During the first four months of 2006 and all of 2005, we paid Guardian \$7.9 million and \$22.0 million, respectively, under the terms of the transportation agreement. At December 31, 2005, our balance sheet included amounts payable to Guardian of \$2.0 million.

Other: Managerial, financial, accounting, legal, data processing and other services may be rendered between associated companies and are billed in accordance with service agreements approved by the PSCW. During 2006 and 2005, Wisconsin Energy and Wisconsin Electric allocated certain administrative and operating expenses to us using an allocation method approved by the PSCW. The table below shows the amounts allocated from Wisconsin Energy and Wisconsin Electric to us.

	2006	2005
	(Millions of Dollars)	
Wisconsin Energy	\$ 2.0	\$ 1.7
Wisconsin Electric	\$ 44.4	\$ 48.8

At December 31, 2006 and 2005, our balance sheets included accounts payable balances with Wisconsin Electric of \$15.7 million and \$11.5 million, respectively.

L -- MEMBER'S EQUITY

In connection with Wisconsin Energy's sale of WICOR and its manufacturing subsidiaries, WICOR transferred its ownership interest in us to Wisconsin Energy in 2004 which resulted in us becoming a direct wholly-owned subsidiary of Wisconsin Energy. Prior to us becoming a direct wholly-owned subsidiary of Wisconsin Energy, we converted from a Wisconsin corporation to a Wisconsin limited liability company with Wisconsin Energy as our sole member. Our ownership interest, formerly held by WICOR, was transferred to Wisconsin Energy in exchange for some of the issued and outstanding common shares of WICOR held by Wisconsin Energy. As a result of this stock redemption and Wisconsin Energy's payment of the income tax liability associated with the new valuation of our assets, our capitalization now reflects the impact of an equity contribution from Wisconsin Energy.

Share-Based Compensation Plans: Employees of Wisconsin Gas participate in a plan approved by Wisconsin Energy stockholders that provides a long-term incentive through equity interests in Wisconsin Energy, to outside directors, selected officers and key employees of Wisconsin Energy and its subsidiaries. The plan provides for the granting of Wisconsin Energy stock options, stock appreciation rights, restricted stock awards and performance shares. Awards may be paid in Wisconsin Energy common stock, cash or a combination thereof. The impact of our portion of Wisconsin Energy's share based compensation expense was \$0.2 million on an after tax basis..

The exercise price of a Wisconsin Energy stock option under the plan is to be no less than 100% of the common stock's fair market value on the grant date and options may not be exercised within six months of the grant date except in the event of a change in control. In December 2004, the Compensation Committee approved the acceleration of vesting of all unvested options awarded to our officers and other key employees in 2002, 2003 and 2004. In addition, the Compensation Committee determined that future option grants would be non-qualified stock options and they would vest on a cliff-basis after a three year period. The stock options that were granted prior to 2005 generally vest on a straight line basis over a four year period. Generally, options expire no later than ten years from the date of grant. For further information regarding the accounting changes related to stock based compensation, see Note A and Note B.

The Compensation Committee has also approved Wisconsin Energy restricted stock grants to certain of our key employees and directors. Recipients of the Wisconsin Energy restricted shares, who have the right to vote the shares and to receive dividends, are not required to provide consideration to us other than rendering service. Forfeiture provisions on the restricted stock generally expire 10 years after award grant subject to an accelerated expiration schedule for some of the shares based on the achievement of certain financial performance goals. We record the market value of the restricted stock awards on the date of grant and then we charge their value to expense over the vesting period of the awards. We also adjust expense for acceleration of vesting due to achievement of performance goals.

In January 2004, the Compensation Committee granted Wisconsin Energy performance shares to our officers and other key employees. In January 2007, 2006 and 2005, the Compensation Committee granted Wisconsin Energy performance units to our officers and other key employees under the Wisconsin Energy Performance Unit Plan. Under the grants, the ultimate number of units which will be awarded is dependent upon the achievement of certain financial performance of Wisconsin Energy's common stock over a three year period. Under the terms of the award, participants may earn between 0% and 175% of the base performance award. We are accruing compensation costs over the three year period based on an estimate of the final expected value of the award. In July 2006, the Compensation Committee amended the terms of the performance shares to allow the recipients of 2004 grants to receive cash or common stock upon settlement. The 2005, 2006 and 2007 grants will be settled in cash.

Restrictions: Our January 2006 rate order from the PSCW established a test year average common equity ratio of 50.2%. Regulated common equity is approximately \$190 million less than GAAP equity due to purchase accounting and other factors. As of December 31, 2006, our restricted net assets were approximately \$381 million. Previously in a June 2004 decision, the PSCW determined that we must obtain specific approval to pay dividends that exceed normal levels as long as any tax issue or appeals related to the sale of Wisconsin Energy's manufacturing business and/or the conversion of Wisconsin Gas to a LLC remain outstanding. The PSCW may modify such provisions by a future order.

See Note E for discussion of certain financial covenants related to our bank back-up credit agreements.

We do not believe that these restrictions will materially affect our operations or limit any normal distribution payments in the foreseeable future.

M -- COMMITMENTS AND CONTINGENCIES

Capital Expenditures: We have made certain commitments in connection with 2007 capital expenditures. During 2007, we estimate that total capital expenditures will be approximately \$52.4 million.

Gas Supply: We have agreements for firm pipeline and storage capacity that expire at various dates through 2023. As of December 31, 2006, the aggregate amount of required payments under such agreements totaled approximately \$551.2 million, with required payments of \$130.1 million in 2007, \$271.2 million for 2008 through 2010, and \$149.9 million thereafter. The purchased gas adjustment provisions of our rate schedules permit the recovery of gas costs, including payments for firm pipeline and storage capacity, from our customers subject to our gas cost recovery mechanism.

Transportation costs billed to us are being recovered from customers under the purchased gas provisions within our rate schedules.

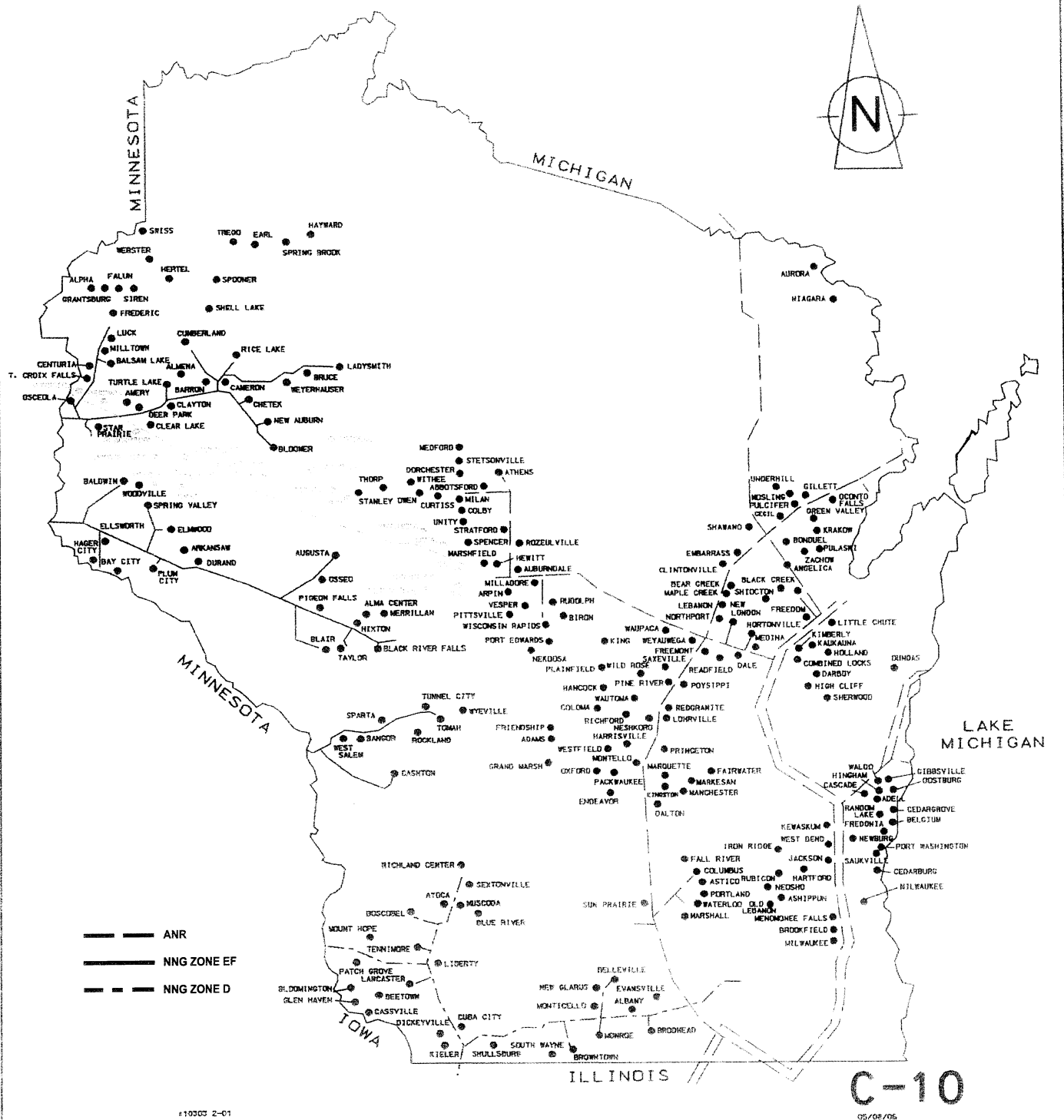
Environmental Matters: We periodically review our exposure for remediation costs as evidence becomes available indicating that our remediation liability has changed. Given current information, including the following, we believe that future costs in excess of the amounts accrued and/or disclosed on all presently known and quantifiable environmental contingencies will not be material to our financial position or results of operations.

We have a program of comprehensive environmental remediation planning for former manufactured gas plant sites. We perform ongoing assessments of manufactured gas plant sites and related disposal sites used by us, as discussed below. We are working with the WDNR in our investigation and remediation planning. At this time, we cannot estimate future remediation costs associated with these sites beyond those described below.

Manufactured Gas Plant Sites: We have identified several sites at which we or a predecessor company historically owned or operated a manufactured gas plant. We have substantially completed planned remediation activities at some of those sites and certain other sites are subject to ongoing monitoring. Remediation at additional sites is currently being performed, and other sites are being investigated or monitored. We have also identified other sites that may have been impacted by historical manufactured gas plant activities. Based upon ongoing analysis, we estimate that the future costs for detailed site investigation and future remediation costs may range from \$12 to \$20 million over the next ten years based upon ongoing analysis. This estimate is dependent upon several variables including, among other things, the extent of remediation, changes in technology and changes in regulation. As of December 31, 2006, we have established reserves of \$15.0 million related to future remediation costs.

The PSCW has allowed Wisconsin utilities, including us, to defer the costs spent on the remediation of manufactured gas plant sites, and has allowed for these costs to be recovered in rates over five years. Accordingly, we have recorded a regulatory asset for remediation costs.

WISCONSIN GAS COMPANY



Name of Respondent Wisconsin Gas LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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Prepayments (Acct 165), Extraordinary Property Losses (Acct 182.1), Unrecovered Plant and Regulatory Study Costs (Acct 182.2)
(continued)

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182.1)

Line No.	Description of Extraordinary Loss [include the date of loss, the date of Commission authorization to use Account 182.1 and period of amortization (mo, yr, to mo, yr)] Add rows as necessary to report all data. (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	Written off During Year Account Charged (e)	Written off During Year Amount (f)	Balance at End of Year (g)
7	Loss Associated with purchase of Ville du Park	14,625	45,029		407.1	4,500	10,125
8	Water Utility accounted for in accordance with						
9	PSCW Staff letter dated 5/18/2000						
10	Amortization from 4/99 - 3/09						
11							
12							
13							
14							
15	Total	14,625	45,029			4,500	10,125

Name of Respondent Wisconsin Gas LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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Other Regulatory Liabilities (Account 254)

1. Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts).
2. For regulatory liabilities being amortized, show period of amortization in column (a).
3. Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250,000, whichever is less) may be grouped by classes.

Line No.	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Current Quarter/Year (b)	DEBITS Account Credited (c)	DEBITS Amount (d)	Credits (e)	Balance at End of Current Quarter/Year (f)
1	FAS 109 Regulatory Liability - Fed	2,201,927	282	428,347	78,265	1,851,845
2						
3	FAS 109 Regulatory Liability - State	4,239,011	411 & 282	1,191,949	252,009	3,299,071
4						
5	Tax/Interest Refunds	5,691,274	431	1,043,400		4,647,874
6						
7	FAS 133	7,192,570	Various	20,206,180	8,579,134	(4,434,476)
8						
9	Conservation Escrow Funds	1,334,562	910	633,730		700,832
10						
11	Pensions	68,214,016	926	7,308,996		60,905,020
12						
13	Purc Acctg-Employee Benefits & LTD	40,852,000	926	5,484,000		35,368,000
14						
15	Environmental	6,692,880		1,247,264	41,289	5,486,905
16						
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45	Total	136,418,240		37,543,866	8,950,697	107,825,071

Name of Respondent Wisconsin Gas LLC	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 03/31/2007	Year/Period of Report End of 2006/Q4
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Regulatory Commission Expenses (Account 928)

1. Report below details of regulatory commission expenses incurred during the current year (or in previous years, if being amortized) relating to formal cases before a regulatory body, or cases in which such a body was a party.
2. In column (b) and (c), indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility.

Line No.	Description (Furnish name of regulatory commission or body, the docket number, and a description of the case.) (a)	Assessed by Regulatory Commission (b)	Expenses of Utility (c)	Total Expenses to Date (d)	Deferred in Account 182.3 at Beginning of Year (e)
1	ACCOUNT 928:				
2					
3					
4	Public Service Commission				
5	of Wisconsin Expenses:				
6					
7	Rate Case Expenses	71,219	8,923	80,142	
8	Miscellaneous Docket and Expenses		19,454	19,454	
9	Other Expenses		499,940	499,940	
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	Total	71,219	528,317	599,536	